Daily Report

Central Eurasia

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FBIS-SOV-94-166 *26 August 1994*

CONTENTS

INTERREGIONAL AFFAIRS

ITAR-TASS Carries Press Review for 26 Aug 1

RUSSIA INTERNATIONAL AFFAIRS

Kim Chong-il 'Unable' To See Zhirinovskiy in Pyongyang *[INTERFAX]* 3
North Korea Wants Light Water Reactors *[ITAR-TASS]* 3
Kohl Sees 'New Quality' in Russian Relations *[IZVESTIYA 26 Aug]* 3
Grachev Leaves for Forces 'Sendoff' From Germany
[NOVAYA YEZHEDNEVNAYA GAZETA 26 Aug] 4
Ex-KGB Official on 'Covert Action' by West *[Berlin NEUES DEUTSCHLAND 24 Aug]* 5
Ministry Official: Fuel Seized in Munich Not From Russia *[ITAR-TASS]* 5
Bosnian Serbs: Peace Map Offers Too Much to Opponents *[ITAR-TASS]* 6
Military Threat in Asia Will Meet 'Robust' Reply *[Moscow TV]* 6
PRC 'Dependable' Political, Economic Partner *[ITAR-TASS]* 7
Yeltsin Special Envoy Confers With PLO Leader 'Arafat *[ITAR-TASS]* 7
Posuvalyuk Holds Talks With Israeli Foreign Ministry *[ITAR-TASS]* 8
Troops in Belarus Creating Financial Problems *[KOMMERSANT-DAILY 26 Aug]* 8
Russian, Belarusian Air Defense Forces Sign Agreement *[PRAVDA 25 Aug]* 8
LDPR Views Joint Exercises as 'Direct U.S. Aggression' *[INTERFAX]* 9
Conference on Mongolian-Russian Economic Relations Ends *[ITAR-TASS]* 9

RUSSIA NATIONAL AFFAIRS

Political Issues

Yeltsin on Policy Lessons of Regional Tour *[TRUD 26 Aug]* 10
Yeltsin Team Seen Aiming To Delay Elections *[PRAVDA 25 Aug]* 15
Chernomyrdin Refuses To Take Part in National Farmers Rally *[INTERFAX]* 16
Spokesman Reiterates Moscow's Sovereignty Over Chechnya *[ITAR-TASS]* 16
Shakhray Says Opportunities With Dudayev Exhausted *[ITAR-TASS]* 17
Shakhray Views Khasbulatov's Growing Role in Chechnya *[INTERFAX]* 17
Stepashin Denies Any Plutonium Thefts in Russia *[ITAR-TASS]* 17
Uranium Stolen From Arzamas-16 'Presents No Danger' *[INTERFAX]* 17
Inquiry Into Uranium Theft Continues *[Moscow TV]* 18
Shakhray Urges Resignation of Finance Minister Dubinin *[INTERFAX]* 18

Military & Space Issues

Cargo Spaceship Progress M-24 Launched From Baykonur *[ITAR-TASS]* 18
Defense Ministry Satellite Launched From Baykonur *[ITAR-TASS]* 19
Army 'Will Not Stoop to Political Squabbles' *[KRASNAYA ZVEZDA 26 Aug]* 19
Yegorov Reiterates Troops Will Not Enter Chechnya *[ITAR-TASS]* 20
Russian Troops in Dagestan Fight Cholera *[ITAR-TASS]* 20
Grachev, Lebed Discuss 'Destiny' of 14th Army *[ITAR-TASS]* 20
Lebed Denies Reports of New Appointment *[ITAR-TASS]* 20
Flies Back to Moscow *[ITAR-TASS]* 21
Further on Lebed Comments *[ITAR-TASS]* 21
Grachev Denies Wanting to 'Settle Scores' *[ITAR-TASS]* 21
Renewed Army Pay Arrears Could Mean 'Social Explosion' *[KRASNAYA ZVEZDA 25 Aug]* 21

Regional Affairs

Chechnya Provisional Council Orders Dudayev Arrest *[Moscow Radio]* 22
Council Supporters Blockade Groznyy *[ITAR-TASS]* 22
Chechens Claim Sovereignty of Airport *[ITAR-TASS]* 22
Groznyy Calls for Holy War Against Russian Troops *[INTERFAX]* 22
Opposition Supporters Ready To 'Storm' Palace *[ITAR-TASS]* 23
Dudayev: Khasbulatov Seeks War in Chechnya *[INTERFAX]* 23
Chechen President Views Conflict With Russia *[Prague LIDOVE NOVINY 15 Aug]* 23

UKRAINE

International Affairs

Udovenko Favors Normalizing Relations With Russia *[INTERFAX]* 27
Regular Kiev-Budapest Air Service Started *[PRAVDA 26 Aug]* 27

National Affairs

Kuchma Replaces Radetskiy With Shmarov *[ITAR-TASS]* 27
Kuchma Makes New Presidential Appointments *[URYADOVYY KURYER 23 Aug]* 27
Kuchma Tours Oblast, Discusses Borders, Harvest *[HOLOS UKRAYINY 23 Aug]* 27
President Kuchma Departs for Crimean Vacation *[INTERFAX]* 27
President Kuchma on Domestic, Foreign Policies *[UKRAYINA MOLODA 19 Aug]* 28
Kuchma Hits 'Romantic' View of Independence *[PRAVDA 24 Aug]* 33
Saburov on Sevastopol's Call for Russian Status *[ITAR-TASS]* 35
Crimean Official on Voter Discontent With Kuchma *[KIYEVSKIYE VEDOMOSTI 20 Aug]* 35
Kuchma Overrules Sevastopol on Russian Status *[Moscow TV]* 36
Presidential Official Dismisses Sevastopol Resolution *[ITAR-TASS]* 36
Rukh Demands Annulment of Sevastopol Decision *[UNIAN]* 36
Kuchma: Sevastopol Council Outside Legality *[ITAR-TASS]* 36
Navy Chief Criticizes Sevastopol City Council *[INTERFAX]* 36
Moroz Visits Fleet, Comments on Navy Issues, Russian Ties *[MOLOD UKRAYINY 23 Aug]* 37
Defense Official on Black Sea Fleet Talks *[KIYEVSKIYE VEDOMOSTI 20 Aug]* 37
Majlis Urges Tatar Chamber in Crimean Parliament *[Kiev Radio]* 38
Republican Party Holds Conference on 'New Circumstances'
[KIYEVSKIYE VEDOMOSTI 16 Aug] 38
Democratic Association Issues Statement on 'Propaganda' *[MOLOD UKRAYINY 23 Aug]* 38
Bank Chairman Outlines Monetary Reform Plans *[URYADOVVY KURYER 16 Aug]* 39
Report Profiles New UNA-UNSO Leader Vitovych *[DEMOKRATYCHNA UKRAYINA 23 Aug]* . 42
Smelting Plant for Contaminated Scrap Planned *[MOLOD UKRAYINY 23 Aug]* 42

WESTERN REGION

Belarus

'Decisive' Measures Promised on Energy Debt *[PRAVDA 25 Aug]* 43
Deputy Premier Wants 'Free Trade Zone' *[ROSSIYSKAYA GAZETA 25 Aug]* 43
Number of Generals To Be Cut by One-Third *[KRASNAYA ZVEZDA 25 Aug]* 43
Publishing House Refuses To Print Debtor Periodicals *[BELAPAN]* 43
Lithuanian Envoy Presents Credentials, Comments *[BELAPAN]* 43
First Kilograms of Gold Extracted *[PRAVDA 26 Aug]* 44

Moldova

Snegur Confident of Russian Troop Departure *[Moscow Radio]* 44
Communists Provoke 'Incidents' at Liberation Ceremony *[BASAPRESS]* 44
Dniester Aides, Others on 14th Army Departure *[ROSSIYSKIYE VESTI 23 Aug]* 44

CENTRAL ASIA

Kazakhstan

President Nazarbayev Says Economy on Right Track *[KAZTAG]* 48
Government Annuls Guarantees for Western Credits *[INTERFAX]* 48
Nazarbayev Proposes To Free Bread Prices *[INTERFAX]* 48
Indifference Toward 'Radical' Anticrisis Program *[TRUD 25 Aug]* 49
Interior Minister: Anti-Crime Measures Lack Funds *[KAZTAG]* 49
New Chairman of Certification Commission Appointed *[KAZTAG]* 50

Tajikistan

Rakhmonov Exceeds Registration Requirements *[Dushanbe Radio]* 50
Rakhmonov, Minister Receive Medals From Yeltsin *[Dushanbe Radio]* 50
Supreme Soviet Adopts Amnesty Decree *[ITAR-TASS]* 50
Fighting Continues on Border With Afghanistan *[Russian TV]* 50
Clashes Continue in Tavildara Rayon *[ITAR-TASS]* 51
Russian Border Guards Involved in Continued Fighting *[Dushanbe Radio]* 51
Russian Border Guard Wounded in Dushanbe Attack *[ITAR-TASS]* 51
Russia Calls for Dushanbe-Tajik Rebel Peace *[INTERFAX]* 51
Sources Report Inaccurate Refugee Figures *[Dushanbe Radio]* 52

Turkmenistan

Statistics Cited for Clashes on Turkmen Border *[ROSSIYSKAYA GAZETA 25 Aug]* 52
Minister of Oil, Gas Appointed *[HALK SESI 10 August]* 52
Inter-States Conference Issues Edict on Regulations *[Ashgabat Radio]* 53
Kazakhstan Given Role in Oil, Gas Exports *[Ashgabat Radio]* 53
New Gas Pipeline Construction To Start in May *[ITAR-TASS]* 53
Impact of Proposed Gas Pipeline Viewed *[IZVESTIYA 25 Aug]* 53

Uzbekistan

Talks With Russia Focus on Central Asian Security *[ITAR-TASS]* 54

CAUCASUS

Armenia

Ter-Petrosyan, CSCE Official Discuss Peace Plan *[Yerevan Radio]* 55
Further on Visit to Stepanakert *[ARAGIL ELECTRONIC NEWS BULLETIN]* 55
Armed Activity Against Idzhevanskiy Rayon Reported *[Yerevan Radio]* 55
Stupishin Leaving Ambassador Post *[RESPUBLIKA ARMENIYA 24 Aug]* 55

Azerbaijan

President Redirects Cargo as Russia Bans Trains to Chechnya *[Baku TV]* 55
Chechnya Police To Accompany Rail Cargo *[TURAN]* 56
Baku Requests $15 Billion in Saudi Investments *[ITAR-TASS]* 56

Georgia

Chikvaidze, Iranian Envoy Discuss Relations *[Tehran IRNA]* 56
Ioseliani Threatens To Personally Lead Refugees to Gali *[Tbilisi Radio]* 57
Additional Russian Units Arrive in Kodor, Abkhazia *[INTERFAX]* 57
Radical Opposition Holds First Conference in Tbilisi *[INTERFAX]* 57

BALTIC STATES

Estonia

Uranium Seized in 'Early Aug'; Russia Gave Warning *[BNS]* 58

Latvia

Military Training Center Moved to Former Russian Facility *[DIENA 18 Aug]* 58
State Budget Deficit Reaches 25.3 Million Lats *[BNS]* 58

Lithuania

Official Says Ignalina Not Source of Smuggled Plutonium *[ELTA]* 59
Government Not To Resign if Referendum Unfavorable *[INTERFAX]* 59
Prime Minister, Finance Minister Discuss Debt *[Vilnius Radio]* 59

ITAR-TASS Carries Press Review for 26 Aug

LD2608063794 Moscow ITAR-TASS in English 0514 GMT 26 Aug 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow August 26 TASS—The newspaper TRUD carries an interview with Russian President Boris Yeltsin, "The danger of Russia's disintegration has been avoided. But this does not mean that all the difficulties have been left behind. We need to create a principally new model of relationship between the Russian Federal authorities with regions," the newspaper quoted Yeltsin as saying. Summing up the results of his summer tours of Russia, Yeltsin said that he had arrived at the conclusion that it is necessary to begin an efficient dialogue with regions and create a reliable basis for this dialogue, rather than to command regions or turn away from them.

The times when regions struggled with the centre for their rights are over, Yeltsin said. From the very first steps taken by the Russian statehood the centre has perpetually called on regions to take as much responsibility as possible, including not only rights, but duties as well. However, many seem to forget about it, Yeltsin said. He stressed that today, the Constitution does not merely grant regional politicians the right to run regions. The new constitution binds them to do so, Yeltsin said, putting the emphasis on the word "binds", because the situation has sharply changed.

The general conclusion made by the president as a result of his summer trips is as follows: "Regions begin to live relying on their own wisdom, without relying too much on Moscow. Regional heads and the public are becoming increasingly aware of the fact that the key to the solution of their problems should be looked for at the very place where their problems are. At the same time, the president called upon regional heads to more extensively go beyond the scope of their regions, involving their neighbors in the solution of common problems. For instance, such as the extension of the range of mutual payments or the introduction of bills of exchange, even if it is done, bypassing central authorities, the president said.

Touching upon the political situation in the country, the newspaper ROSSIYSKAYA GAZETA writes that at the end of summer a period of political campaigns begins. The Russian president's voyage down the Volga river made in the run up to the election campaign is just the beginning of a big road. The president's rating has been unshakable yet, the newspaper said.

Another participant in the presidential race "President-96" Yegor Gaydar, has not been idle either. He is busy with party construction in the capital and the consolidation of democratic forces. However, Gaydar pointed out that stability in Russia can be ensured best of all by only one man - Boris Yeltsin. Therefore, it is necessary to nominate Yeltsin a candidate to the 1996 elections by all the democratic world Gaydar said.

The same subject was touched upon in an interview with St. Petersburg Mayor Anatoliy Sobchak. Sobchak said that he was a supporter of rallying all democratic forces around the Russian president. "He is a worthy figure," Sobchak said. On the other hand, Boris Nikolayevich (Yeltsin) has to decide whether he will take part in the next presidential elections. It is necessary that the Russian president, as an unquestionable leader of the democratic movement, first make up his own mind," Sobchak said. He came out against proposals suggesting to postpone elections. "It is out of the question. Presidential elections must be held in 1996, and there should be no other variants, regardless of what the situation might be," Sobchak said.

Russia should have no fears that after the withdrawal of its troops Germany will talk to Moscow in a different language, says the IZVESTIYA newspaper. It carries an interview with the German Federal Chancellor Helmut Kohl. Kohl pointed out that both Germany and Russia had become partners. Both countries are vitally interested that by way of large-scale cooperation a decisive contribution be made to the cause of stability and peace on the European continent. Kohl pointed out that the federal government and the German economy are considerably interested in the expansion of Russo-German economic relations. In this connection, a tangible roles belongs to the success of economic reforms in Russia, Kohl said.

The newspaper KOMSOMOLSKAYA PRAVDA carries an interview with Ukraine's plenipotentiary representative Vladimir Kryzhanovsky dealing with relations with Russia. In his opinion, President Kuchma cannot be considered as pro-Russian, since his main task is to promote Ukraine's well-being and prosperity. "No changes in relations with Russia are expected in the near future, simply accents have been shifted, and we are getting closer together," Kryzhanovsky said. He believes that the procrastination of the process of dividing the Black Sea Fleet is nearly over, while Yeltsin's visit to Kiev scheduled for the end of September inspires hope for a positive solution of other contentious issues.

NEZAVISIMAYA GAZETA says that Ukrainian President Leonid Kuchma displayed an extremely cautious attitude to a resolution passed by the Sevastopol City Council, recognizing the "Russian legal status" of the city. Kuchma made no attempt to conceal the reason for his concern. He would not like relations with Russia to be more difficult, especially on the eve of President Yeltsin's official visit to Kiev.

The press continues to highlight the situation in Chechnya and around it. Dudayev's regime seems to be making desperate attempts to hold on to the levers of power and is preparing to throw the entire Chechen nation in the slaughter of ethnic strife, PRAVDA says. It is not only Chechens that are in danger, it is openly said in Groznyy that hundreds of thousands of Russians in Chechnya itself and millions outside might fall victims to armed confrontation.

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IZVESTIYA believes that Dudayev is splitting the Cossack movement. A treaty on friendship and cooperation between the Chechen Republic and the great Cossack Don regiment, signed in Groznyy on August 24, was regarded by Chechen official circles as sensational success of the president in the present heated situation, IZVESTIYA says. However, this information aroused surprise and indignation among Cossack leaders in regions bordering Chechnya. One of the leaders, Pyotr Fedosov, described the signed treaty as betrayal of Cossacks' interests.

Referring to the data provided by the Russian Health Ministry, IZVESTIYA writes that after an outbreak of cholera began, 677 people contracted the disease by August 25 and 654 virus carriers were reported. At present, the number of people undergoing treatment against cholera in hospitals is 264.

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Kim Chong-il 'Unable' To See Zhirinovskiy in Pyongyang

LD2508192594 Moscow INTERFAX in English 1806 GMT 25 Aug 94

[Text] Kim Chong-il, son of former North Korean leader Kim Il- song and his possible successor, has sent a letter to Vladimir Zhirinovskiy to say that he will be unable to meet him in Pyongyang due to the 100-day period of mourning following his father's death.

Aleksandr Vengerovskiy, a member of Zhirinovskiy's Liberal Democratic Party, told Interfax that the Russian nationalist politician will visit Pyongyang from September 30 to October 4 as part of a delegation invited by the North Korean Party of Labor. Vengerovskiy said that during his visit to North Korea in mid summer an agreement had already been reached that Zhirinovskiy would have met the then leader Kim Il-song in the autumn.

Vengerovskiy said that Kim Chong-il recommended in his letter that Zhirinovskiy meet only with representatives of the National Assembly and leaders of the Party of Labor. As a result Zhirinovskiy, who returns to Moscow on August 30 from a trip along the Volga, may well cancel his trip to North Korea.

North Korea Wants Light Water Reactors

LD2608115094 Moscow ITAR-TASS in English 1116 GMT 26 Aug 94

[By ITAR-TASS correspondent Vladimir Solntsev]

[Text] Moscow August 26 TASS—Moscow and Pyongyang welcome the idea that if North Korea's nuclear programme switches over to light water reactors, these rectors should be Russian-made, ITAR- TASS learned from a high-ranking official of the Russian Foreign Ministry today. Russia can provide North Korea with three light water reactors with the total capacity of 2,000 megawatts with the approximate cost of 4 billion dollars, the official said.

Taking into account the big cost of the deal, other countries, including South Korea and the United States, display a considerable interest in the supplies of light water reactors to North Korea as well. However, North Korea abides by the principle that the reactors should be made in Russia, the official said.

He said that Russia is prepared to provide North Korea with all the necessary equipment, technologies and experts. The problem is who will finance the project, since North Korea "cannot afford and would not pay four billion dollars," the official said. It is the financial side of the problem which gives a better chance to South Korea, but for political reasons, the presence of South Korean experts in North Korea is unacceptable to Pyongyang, the Russian diplomat said.

All these projects might be easily carried out provided they are given international financial support. An agreement on bilateral cooperation in the construction of a nuclear power station on the territory of North Korea, signed in 1985, remains in force. Much has been done in this field already, including the choice of a construction site and technical and economic motivation of the project. North Korean experts were trained in the former Soviet Union only and are familiar with Russian equipment and technologies and know Russian, the diplomat said.

The idea of replacing the old graphite reactor in North Korea by light water nuclear reactors appeared in connection with suspicions of North Korea developing its own nuclear weapons. If the reactor if replaced, these suspicions will be removed in the main, since a light water reactor rules out a possibility of obtaining plutonium used in weapons production.

Kohl Sees 'New Quality' in Russian Relations

MM2508142694 Moscow IZVESTIYA in Russian 26 Aug 94 p 1

[Interview with FRG Chancellor H. Kohl by INTERFAX correspondent Sergey Sosnovskiy; date and place not given: "Helmut Kohl: Russia Need Have No Fears That After the Withdrawal of Its Troops Germany Will Speak a 'Different Language' to Moscow"]

[Text] On the eve of B. Yeltsin's visit, FRG Chancellor H. Kohl answered questions put by Sergey Sosnovskiy, a correspondent for the INTERFAX agency. The interview was transmitted especially for IZVESTIYA.

[Sosnovskiy] Next week Russia will complete the withdrawal of its troops from Germany's territory. Various opinions on this are being expressed in the Russian Federation. There is even a view that following the withdrawal of the troops, the Germans will begin to speak a "different language" to the Russians, because the Russians will have lost their final trump card in relations with Germany. So should the Russians really expect a "tougher" line from the Germans in bilateral relations?

[Kohl] Those fears are completely groundless. Germany and Russia have become partners. In recent years our cooperation in a whole series of spheres has become more intensive and—I have no doubt of this—it will be even stronger in future. This new phase of peace and friendship between our peoples is based on a firm network of treaties and agreements and on intensive exchanges in the economic and cultural spheres.

Germans and Russians have learned the lessons of history. Both sides have a vital interest in promoting the cause of stability and peace on the European continent to a decisive degree through large-scale cooperation.

It is absolutely ruled out that Germany's well grounded interest in close, friendly relations with Russia will go into reverse after the withdrawal of the Russian troops.

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On the contrary, it seems to me that we are on the verge of a new quality in our relations. In this connection I would like to recall the weighty contribution which Germany has made in recent years to supporting the reforms being carried out in Russia. In this respect Germany is streets ahead of the entire international community. And we certainly did not do this because of the presence of Russian troops. Rather, we regard this contribution as a good investment in a long-term partnership between Germans and Russians.

[Sosnovskiy] In the sphere of economic relations, Germany invariably remains "number one" for Russia. But these relations must be nurtured, and by both sides; they must be constantly enriched with new impetus. What can be expected from the German side in this connection, what priorities and objectives does the FRG set itself in relations with Russia?

[Kohl] The federal government and the German economy are greatly interested in wxpanding German-Russian economic relations. The success of economic reforms in Russia plays a significant role in this connection. Stability, sound public finances, and structural reforms are the basis of growth and prosperity.

Along with the financial support I mentioned, Germany sees its most important contribution in the development of partnership cooperation, aimed at promoting the reform processes in Russia. In the sphere of bilateral relations, I would mention first of all the large-scale program of consultations, which is already giving good results in many spheres of the Russian economy and areas of management. Furthermore Germany is participating in a number of multinational measures to promote reforms in Russia, first and foremost within the framework of the European Union [EU].

Great significance, in my view, is attached to involving Russia as much as possible in existing international financial and economic structures. Russia is already participating fully in the G-7 political consultations. It should also become a member of the GATT as soon as possible.

The agreement on partnership and cooperation between Russia and the EU, signed in June this year, offers Russia broad opportunities in the long term for penetrating the markets of the EU member countries. I believe it is very important for Russia to utilize intensively in future the opportunities which this treaty opens up for its economy.

[Sosnovskiy] Thanks to President Boris Yeltsin's policy, in the summer of 1994 it has after all proved possible somewhat to stabilize the situation in Russia compared with the way it was a year ago. The correlation of forces and political structures has become clearer, the level of inflation has become predictable, and the rate of the decline in production has slowed somewhat. But the situation is, of course, still far from the optimum. All the same, what advice would you give German business about the Russian market? Hands off, wait and see, or take a justified risk?

[Kohl] As I have said, the German economy is very much interested in close cooperation with Russia. This does not, in principle, rule out readiness for investments that promise much in future.

But representatives of our economy inform me that at present the framework conditions for their long-term business involvement in Russia require radical improvements. First and foremost, it is a question of reliable legislative foundations, for instance in the tax sphere, and of predictability in administrative procedures for both domestic and foreign investors. These objective conditions for stepping up the involvement of the German economy could and should be created by the Russian Government. We are prepared to help Russia in this too, with advice and in practice, and in fact this is already being done to a significant extent.

Grachev Leaves for Forces 'Sendoff' From Germany

MM2608073994 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 26 Aug 94 p 1

[Report by Nugzar Mikeladze under the "Present Day" rubric: "We Are Getting Out. While the Going is Good?"]

[Text] In fall 1994 there will not be a single Russian soldier left in Germany. The ceremonial sendoff of the Western Group of Forces will take place 31 August.

The word "ceremonial," you will agree, sounds more than a little ambiguous. The last victorious soldier is going to leave the conquered state. According to the latest reports, that last soldier might be not the commander of the Western Group of Forces but the Russian Defense Minister himself. Pavel Grachev left for the Western Group of Forces yesterday. The captain is only last to leave a sinking ship.

"Every 25 years we teach them not to take someone else's property," Ilya Erenburg wrote in the early months of the Great Patriotic War. This time it was "our" side which managed to take "someone else's property." FRG Chancellor Helmut Kohl, to whom people attribute a purely external (or internal?) condescension, either because of his impressive appearance or special information of their own, said in conversation with the Russian leaders that the fears that the Germans would begin speaking a "different language" to the Russians after the troop withdrawal were completely groundless. Pray heaven he is right! What other language are you afraid of?

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Ex-KGB Official on 'Covert Action' by West

AU2508122394 Berlin NEUES DEUTSCHLAND in German 24 Aug 94 p 3

[Interview with former KGB official Leonid Shebarshin by Irina Wolkowa; place and date not given: "'West Wants Control of Russia's Nuclear Potential'"]

[Text] Leonid Shebarshin was born in 1935. In 1953 he started working in the KGB's main section (foreign counterintelligence), whose chief he was from January 1989 to September 1991. Since 1992, Shebarshin has been president of the "Foundation for Economic Security in Russia."

[Wolkowa] The plutonium scandal hit right in the middle of the slack summer season. Can the hot scent that intelligence services are following now be traced back to the time when you were chief of the KGB's foreign department?

[Shebarshin] Before the collapse of the Soviet Union there was no indication of fissionable material being smuggled abroad. I can clearly rule that out as all nuclear objects on the territory of the USSR were under KGB control, whose deputy chief I was as head of the foreign department. Of course, we dealt with the problem on a theoretical level. In our practical work we even rehearsed possible smuggling scenarios and their prevention.

[Wolkowa] Why?

[Shebarshin] We just had to assume that fissionable material might be of interest to terrorist groups. It is no coincidence that a new literary genre turned up in the 1980's—the nuclear thriller....

[Wolkowa] ... which might long have been surpassed by Russian reality.

[Shebarshin] As far as I know, these are only speculations of the media. The origin of the plutonium that was found in Germany has not been established. And there are not even any clear indications that the material in question is suitable for weapons production.

[Wolkowa] Russian media say that the reports on the plutonium scandal have been exaggerated deliberately, because the West is smelling big business, should Russia be forced to buy measuring and control equipment abroad.

[Shebarshin] There are far larger sums involved in the current campaign: Our nuclear potential is to be put under Western control, under U.S. responsibility. From my experience I know that with complex plans like that intelligence services resort to what is called active measures—or covert action, as my American colleagues would say. The plutonium affair is a perfect example for that.

[Wolkowa] Could you explain this strategy in more detail to us laymen?

[Shebarshin] In our specific case, in early 1992 a Tunisian paper wrote that Kazakhstan had sold two nuclear warheads to Iran. A French paper took it up immediately; others, including several Russian papers, took it up quite uncritically. Examinations showed that the report was a hoax. But public opinion had been put on alert, and thus further measures could be taken. There have been reports, for instance, about Russian nuclear scientists emigrating to Iran, Iraq, or Libya. I offered to my former colleagues in the Western intelligence services that I would try to find out where Russian nuclear scientists are going. So far, there has been no reply, since they know just as well as I do that they are going to the United States, Israel, and Great Britain. Corrections, if they are published at all, appear in small print, so that the reports can take effect in peace; and gradually the desired aim comes within reach. I already warned of such developments back in early 1992. Unfortunately, hardly anyone took it seriously then. Only former Security Minister Barannikov reported to the Chamber of Deputies in a confidential meeting last year that intelligence and counterintelligence had noted increased activities by the West to gain an influence on Russia's nuclear potential.

[Wolkowa] Does that make sense politically?

[Shebarshin] Yes. Russia is to be demolished as a superpower. As the only remaining great-power feature, our nuclear potential must be put under international control. Partnership does not seem to extend to nuclear equality.

[Wolkowa] The campaign, as you call the plutonium scandal, seems to have reached its climax now. Is that just a coincidence, or is there more to it?

[Shebarshin] Any strategic, and thus long-term, operation depends on its objective basis. Attempts to put the Russian nuclear potential under Western control only stand a slight chance of succeeding due to the current political instability and our economic weakness. That means there is a very limited time span available. What was impossible before 1991 will be a thing of the past again in 1995, or 1996 at the latest.

[Wolkowa] Can the plutonium affair affect Russia's domestic- policy situation?

[Shebarshin] If Russia were to yield to the conditions of the West, this would have the most serious effects on the inner balance of our society. That knowledge should prevent our government from taking any foolish actions.

Ministry Official: Fuel Seized in Munich Not From Russia

LD2508185594 Moscow ITAR-TASS in English 1732 GMT 25 Aug 94

[By ITAR-TASS correspondent Veronika Romanenkova]

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[Text] Moscow August 25 TASs—Russia does no produce the mox- grade fuel which was seized at the Munich airport, ITAR-TASS was told by Yevgeniy Mikerin, the director of the Russian nuclear ministry's technology and nuclear chemistry department. Mikerin was a member of the delegation which held talks with German chancellor's envoy, Minister Bernd Schmidbauer.

Mikerin said, however, that Russia does produce a variety of the mox-fuel for experimental research, although in a small amount. He said the material is not produced on a large scale because for reactors because Russia's nuclear power plants do not use it.

Moreover, Mikerin asserted, any mox-fuel has nothing to do with weapons-grade plutonium. "It is not usable for nuclear weapons."

The expert stressed that the seized material should be thoroughly examined, and the findings should be compared with properties of the mox-fuel in countries which employ it in their nuclear power plants.

"Germany acted properly, but the investigation must be completed," Mikerin said. The need for the complete investigation was agreed upon in the talks with Bernd Schmidbauer.

As concerns the instrumental control of fissionable materials, the control requires a continuing update in Russia as well as in any country, the nuclear ministry's official pointed out. He admitted Russia is somewhat lagging behind others because of its economic difficulties.

Additional means must be found out after the "plutonium incident" to update the instrumental monitoring systems at nuclear installations, Mikerin said.

Bosnian Serbs: Peace Map Offers Too Much to Opponents

LD2508124594 Moscow ITAR-TASS in English 1205 GMT 25 Aug 94

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Belgrade August 25 TASS—The Bosnian Serbs have rejected the territorial delimitation map for Bosnia and Herzegovina proposed by the international "Contact Group" because it gives the Muslim-Croat federation a huge advantage in ore, industry, cities, and communications.

Detailed statistics about the Bosnian Serbs' claim are contained in the official statement "Why we cannot accept the map proposed by the 'Contact Group'", issued by the information ministry of the Serb Republic in Bosnia. The statement was distributed by the "BETA" news agency on the eve of the Bosnian Serb popular referendum on the Contact Group's plan, which is scheduled for August 27 and 28.

For example, the document says, the proposed maps would give the Muslim-Croat federation all the reserves of tin, zinc, mercury, manganese, asbestos, the potential reserves of oil, and brown coal, almost 90 per cent of the lignite, and more than two-thirds of the reserves of iron ore, magnesium and bauxites. This disproportionality does not sit well with the Contact Group's proposal to give 49 per cent of Bosnia and Herzegovina to the Serbian republic and 51 per cent to the Muslim-Croat federation.

The statement further points out that the federation would get more than three quarters of the hydro-electric and heating facilities, as well as almost all the industry in Bosnia and Herzegovina, including the aluminum factory in Mostar, the industrial plants in the cities of Brcka, Visoko and Zenitsa, and practically all the defence industry plants.

According to the proposed maps, the Serb republic in Bosnia, which now possesses a more or less unbroken territory, would be cut up into three unconnected parts. Of the four airports in Bosnia and Herzegovina, three would go to the Croats and Muslims, as would all the navigable waterways. Railroad lines would also be under the control of the federation.

Radovan Karadzic, the president of the Serbian republic in Bosnia, predicted several days ago that 90 to 95 per cent of the Bosnian Serbs would say "no" to the Contact Group's proposed peace plans, since they "contradict the national interests of the Serbian people".

Military Threat in Asia Will Meet 'Robust' Reply

LD2508164594 Moscow MTK Television in Russian 1500 GMT 25 Aug 94

[Video report by Aleksandr Khabarov; passages within quotation marks recorded]

[Text] The threatening situation at the Tajik-Afghan border has forced diplomats and the top military of Russia, Tajikistan, and Uzbekistan to get together in Tashkent in order to work out a single plan of protecting their borders. Andrey Kozyrev has already arrived in Tashkent. He met journalists before leaving Moscow.

[Khabarov] Before his departure, Kozyrev briefly summarized Russia's attitude to the conflict at the Tajik-Afghan border.

[Kozyrev] "Our position has not changed. A military challenge will meet the most robust military response. At the same time, we are opening the door wide for the political process."

[Khabarov] Moscow pins some hope on the upcoming presidential election in Tajikistan. Kozyrev believes that the Tajik opposition should have a chance to take part in it.

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[Kozyrev] "Election without choice is like a fancy dress party. These should be the elections with genuine real competition."

[Khabarov] At the same time, the foreign minister went to Tashkent in order to tackle military problems and he took with him a representative delegation of Russian power structures.

[Kozyrev] "We have a big team—one can say almost half of the Security Council."

[Khabarov] According to reports, the Tashkent meeting will debate the organization of a center for protecting CIS borders with Afghanistan. It will most likely be set up in Termez, a small Uzbek town near the famous Hayraton bridge across which Soviet troops had left Afghanistan six years ago. The center will coordinate the actions of border troops of Russia, Tajikistan, and Uzbekistan. However, the talks on this issue will not be easy. It is known that the President of Uzbekistan Islam Karimov has spoken on many occasions for non-intervention in the internal affairs of Tajikistan, let alone of his own country. These aspects may become one of the questions for the bilateral talks that Kozyrev hopes to hold with the Uzbek leaders.

PRC 'Dependable' Political, Economic Partner

LD2508132294 Moscow ITAR-TASS in English 1317 GMT 25 Aug 94

[By ITAR-TASS analyst Vladimir Gondusov]

[Text] Moscow August 25 TASS—Russia regards China as a dependable political and economic partner, particularly in the military-technological sphere. It has no plans to revise its attitude to the great neighbour, ITAR-TASS was told by a trustworthy source within the Russian defence establishment.

The latter denied reports recently published in some Asian publications. The Japanese newspaper "SANKEI SHIMBUN" for instance, claims that "Russia, which is a major supplier of armaments to China, is now revising its policy of supplying military materiel to that country". The magazine "ASIA WEEK" and other Hong Kong publications have reported with reference to a high-ranking official of the Russian Defence Ministry that "the policy of supplying armaments to China is now being revised in order to ensure Russia's state security". This "revision" is connected with the possibility of Russian arms deliveries to Taiwan, which will allegedly allow Moscow to earn hard currency.

"Weapons trade is not merely a commercial, but also a political matter," the interviewed official stated. He sees no sense in straining relations with China even if high profits can be expected. He is also convinced that there are no grounds for such conclusions, because no representatives of the leadership of Taiwan, with which Russia has no diplomatic relations, has applied for any purchases of Russian weapons and military equipment.

In the opinion of the afore-mentioned source, the growing contacts between Moscow and Beijing are illustrated most eloquently by the agreements reached during the visit paid to the Russian capital last july by Chi Haotian, head of the Chinese defence establishment. An important result of the visit was the signing by the Russian and Chinese defence ministers of an inter-government agreement on the prevention of dangerous military activities. This document stipulates measures to prevent incidents between the armies of the two countries during their day-to-day activities: undeliberate violation of borders by warplanes or ships, accidental missile launchings, etc.

Russian Defence Minister Pavel Grachev has highly assessed the importance of the document, stressing that it "represents one more step to strengthen security and promote confidence-building measures between the two neighbouring states, the border between which stretches over four thousand kilometres".

During Chi Haotian's visit Moscow has confirmed its readiness to help train Chinese military specialists, particularly those who are to fly modern Russian SU-27 fighter-planes and man the Russian-made S-300 "ground-to-air" missile complexes. China also plans to buy 200 T-72 tanks, systems for refuelling planes in midair and aviation radar stations.

Beijing is interested in Russian weapons and military equipment, in the help of Russian military experts, who could help the Chinese make proper use of this weaponry, in training Chinese servicemen at Russian educational establishments. The relations between the two countries are developing successfully on a mutually advantageous basis and there is no sense in changing anything in them, the trustworthy Russian expert said rounding off the interview.

Yeltsin Special Envoy Confers With PLO Leader 'Arafat

LD2608072194 Moscow ITAR-TASS World Service in Russian 0625 GMT 26 Aug 94

[By ITAR-TASS correspondent Aleksandr Zhudro]

[Text] Tel Aviv, 26 Aug—Viktor Posuvalyuk, the Russian president's special envoy for the Middle East settlement, visited the Gaza Strip late on Thursday and met with Yasir 'Arafat, chairman of the PLO Executive Committee.

During his discussion with Y. 'Arafat, the Russian diplomat expressed support for the Palestinian authorities, which are in the process of being formed. He stressed that Russia welcomes the new peaceful relations that have begun to take shape between the PLO and Israel. He spoke in favor of continuing efforts to solve remaining disputes.

The PLO leader expressed gratitude to Russia for its part in the peace process and praised the role of Russian

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diplomacy in overcoming obstacles that hamper a just settlement in the Middle East.

Earlier on Thursday, V. Posuvalyuk arrived in Israel as part of his tour of a number of Middle Eastern countries, which has already taken him to Lebanon, Syria, and Jordan. Today the Russian president's special envoy is expected to meet Israeli officials.

Posuvalyuk Holds Talks With Israeli Foreign Ministry

LD2508180694 Moscow ITAR-TASS in English 1651 GMT 25 Aug 94

[By ITAR-TASS correspondent Aleksandr Zhudro]

[Text] Tel Aviv August 25 TASS—The Russian president's special envoy on the Middle East settlement Viktor Posuvalyuk held consultations with Deputy Israeli Foreign Minister Yossi Beilin on Thursday.

Upon the completion of the talks the Russian diplomat said that Russia as co-sponsor of the peace process in Middle East will help achieve the comprehensive settlement of the conflict in the region. He attached a special importance to the signing of a peace agreement between Israel and Syria. Posuvalyuk is optimistic about the prospects of the talks between Israel and its Arab neighbours.

Beilin highly estimated Russia's efforts to approach point of views of the participants in the negotiating process. He pointed out the fruitful role of Russian diplomats within multi-faceted negotiations on regional problems of the Middle East.

On Friday, August 26, Posuvalyuk is expected to meet with Israeli Prime Minister Yitzhaq Rabin and Foreign Minister Shim'on Peres.

The Russian diplomat will also meet with [PLO Chairman] Yasir 'Arafat late in the evening. This was the first meeting of the Russian representative with the leader of the Palestinian Liberation Organisation on the territory of the Palestinian autonomy.

Troops in Belarus Creating Financial Problems

MK2608113894 Moscow KOMMERSANT-DAILY in Russian 26 Aug 94 p 4

[Aleksandr Koretskiy report: "Lukashenka Could Cost Moscow Much More Than Kebich"]

[Text] Having climbed atop the Belorussian [Belarusian] political Olympus and, from that vantage point, having assessed the general economic condition of the republic, Alyaksandr Lukashenka realized that talk about a single ruble zone with Russia is no more than a beautiful myth. At least at the present moment of historical development. Therefore Minsk has apparently decided to obtain from Moscow what has in fact been long overdue. One of the first steps in this direction has been the idea of establishing a "real lease payment" for the strategic military installations used by Russia and owned by Belorussia.

The republic is home to at least two installations which are vital for Russia's strategic security. These are the nearly complete (90 percent ready) missile attack warning center near Baranovichi and a naval communications center, which guides subsurface and surface ships in a huge area: from the Baltic to the Atlantic to the Indian Ocean. Until recently Moscow has been paying Minsk for using the communication center and other military installations based on the cost of land lease. For the Russian military it was indeed "brotherly:" So symbolic that some Belorussian politicians coming to Moscow for talks on merging the ruble and the "bunny" [zaychik, Belorussian currency] said they felt ashamed even to mention the aggregate sum of Russia's lease payments.

Now signs are that the situation is changing for the worse for Moscow. The problem is not only the Baranovichi installation and the navy communication center: Such installations can be built in Russia within five to seven years, even if with some difficulty. True, approximately 7 trillion rubles is needed for that, which the Finance Ministry simply does not have. But in addition, at least 10 trillion will be required to create an air defense grouping on western borders: The Belorussians are going to demand tens of billions of rubles for using theirs.

Yet this is not the end of it for Moscow. The fact is that Russia's strategic forces located in Belorussian forests occupy 24,000 hectares of land. Direct losses sustained by Minsk as a result approximate 2.2 trillion rubles annually. Moscow saves up another 442 billion on leasing residential and non-residential premises (a total floor space of 1,710,000 square meters) for its military in Belorussia. Amid these figures, the 5 billion rubles offered by Moscow for leasing the Baranovichi facility and almost as much for the navy communication center seem just ridiculous. Minsk is very well aware of this. True, Russia also has one trump which it can use to deal with this problem: The cost of energy supplied to Belorussia.

Russian, Belarusian Air Defense Forces Sign Agreement

MM2508133794 Moscow PRAVDA in Russian 25 Aug 94 p 1

[Report by Oleg Stepanenko: "One Vast Sky Between Two"]

[Text] The Belorussian [Belarusian] and the Russian Air Defense Forces have signed an agreement on collaboration between the two states' alert forces and assets. This is perhaps one of the first steps toward joint operations, which life itself dictates, since the breakup of the Union and the division of its Armed Forces. This is how prominent Belorussian military chiefs see this step.

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It is well known that numerous air routes to the East cross the republic. And the destruction of the unified system of air defense damaged the security of all the former USSR republics.

The new agreement commits the partners to notifying each other of any violation of the state borders and, if necessary, to coordinating their actions. It also envisages the exchange of relevant information, assistance to planes suffering accidents, and other measures making it possible to defend Russian and Belorussian airspace. Military specialists express the hope that the agreement will serve as an example for other CIS countries which will not create obstacles to restoring security in the Union's single sky.

LDPR Views Joint Exercises as 'Direct U.S. Aggression'

LD2508193594 Moscow INTERFAX in English 1806 GMT 25 Aug 94

[Text] The supreme council of the Liberal Democratic Party [LDPR] is against joint Russian-American exercises on the Totsk test range in the Orenburg region (the Southern Urals), says a statement by the LDPR council distributed Thursday. The exercises are scheduled for early September.

"The U.S. military intelligence service has received a splendid opportunity to conduct a legal action on the territory of the Russian Federation from the hands of irresponsible officials from the Russian Defense Ministry," the statement emphasizes.

"The joint exercises" on the Totsk test range for the sake of "a strategic partnership" will inflict serious damage on Russia's armed forces, the document says.

The LDPR views "the joint exercises on the Totsk test range as direct U.S. aggression against Russia's sovereignty and calls on the executive power bodies of the Orenburg region, employees of the rail, automobile, and air transport, and the mass media to sabotage the unprecedented impudent action of the foreign military intelligence service supported by defense ministry employees," the statement stresses.

Conference on Mongolian-Russian Economic Relations Ends

LD2508200494 Moscow ITAR-TASS in English 1850 GMT 25 Aug 94

[By ITAR-TASS correspondent Kim Boldokhonov]

[Text] Ulaanbaatar August 25 TASS—Despite all deformations, which occurred in relations between Mongolia and Russia during the preceding years, trade and economic cooperation is of vital importance to both partners, and it should be developed, this thought dominated the international scientific practical conference which ended in Ulaanbaatar today.

The significance of this meeting was testified to by the high standard of the symposium, in which along with scientists from the two countries, officials from different ministries and departments, high-ranking officials from Russian Embassy officials and the trade representation in Ulaanbaatar and representatives of commercial enterprises also took part.

The participants in the conference were unanimous in their opinion that under conditions of continuously falling production and transit from one economic system to the other demands non-standard approaches to resolve problems of economic interaction. Opinions were voiced about the necessity to work out scientific methods for improving the mechanism of economic cooperation between the two states, taking into consideration the accumulated experience and new realities, the concluding document noted.

This first in the past several years Mongolian-Russian symposium was organized by the Institute of Economics of the Academy of Sciences of Mongolia, the Mongolian-Russian company "Monros", the Russian centre of science and culture in Ulaanbaatar, and the Federation of Mongolian Societies for Friendship with Peoples of the CIS Countries.

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Political Issues

Yeltsin on Policy Lessons of Regional Tour

MM2608102394 Moscow TRUD in Russian 26 Aug 94 pp 1-2

[Interview with President Boris Yeltsin by TRUD Editorial Office; date and place not given: "Boris Yeltsin: Danger of Russia's Collapse Has Passed. Russian Federation President Answers TRUD Editorial Office's Questions"]

[Text] [TRUD] Boris Nikolayevich, you have been traveling around Russia more than ever of late. What is the reason for that?

[Yeltsin] You're right. This summer has perhaps been my busiest for traveling round the regions.

At the very end of May it was Tatarstan. In June it was Amur Oblast, and the Republic of Tyva by way of Novosibirsk. In July it was Krasnoyarsk Kray. And in August it was the Volga and Rostov Oblast. Apart from this, I have had numerous meetings with republic and regional leaders in Moscow.

I intend to continue devoting paramount importance to this line of work. Why? Russia is a vast country with exceptionally varied conditions. It cannot be said that this was not entirely taken into account in the past. Even during the era of the tough command style certain regions would be given certain orders, while others would be given different ones.

We have also experienced other times, when work with the regions was, as it were, allowed to drift. At the start of reform we told the Russian republics, krays, and oblasts that Moscow would no longer be ordering them around. That their fate was in their own hands. That we would only remove the obstacles stopping them from solving their own problems. We met the regional authorities halfway. They were demanding a relatively small amount of patronage: Just let us solve our own problems ourselves. But new difficulties emerged. Different regions are in different conditions. It turned out that there could be no complete autonomy. It was wasteful both for a number of oblasts and republics and for all of Russia.

The federal authorities and the regions have seen this for themselves in their own practical experience. And I can say that we have already passed this stage. I think that everyone has a sense that public sentiments are changing. Until quite recently the ideas of separateness, of cutting a certain republic or oblast off from the country had notable support. Until recently many people still thought that in our separate region we can create a good, prosperous life. And everything else does not affect us. Today it is clear that that was another impossible utopia.

On the contrary, we need to develop cooperation and strengthen ties. Not impose them from above, but develop them from below. Between enterprises, cities, oblasts, and so forth. And directly—not via Moscow.

The danger of the collapse of Russia has passed. But this does not mean that all our difficulties are behind us. We need to create a fundamentally new model of relationships between the Russian federal authorities and the regions. Not giving them orders and not turning our backs on them either! We must arrange an effective dialogue and create a sound legal basis for this new dialogue. We must define areas of responsibility—what will be covered by the center and what will be covered by the regions themselves.

Of course, this is no easy task. It will have to be resolved by the president, the government, and parliament in conjunction with the regions which make up Russia. During my trips I have devoted a great deal of attention to discussion of these issues. The leaders of the regions and ordinary people have always expressed an interest. A year or two ago that would not have been the case.

[TRUD] It is said that Russians are demoralized and tired of politics. People's activeness at the last elections was relatively low. What opinion have you formed during your trips around Russia?

[Yeltsin] I fundamentally disagree with that. If you don't indulge in eloquence but talk to people about their urgent problems and ways to solve them, they listen attentively, give advice, and respond warmly. It was gratifying that the overwhelming majority easily grasp and get a handle on the problems themselves. Even if we're talking, say, about the military-industrial complex and the fact that the state no longer needs so many tanks and missiles. And, consequently, the state cannot order so many weapons from a certain plant or city in the way that it did in the past. So there has been no depoliticization, there has been a change in the demands citizens make of politics—a change which certain politicians have not caught up with. We are by no means the quietest of societies, but the situation is clearly quietening down.

I have seen for myself that the dismantling of the Soviet system has not disorganized life in the regions. On the contrary, the situation at local level has clearly stabilized and become far more businesslike and effective. The elimination of the soviets has not been a witch-hunt—everywhere the ablest soviet workers have moved to the new organs of power and continuity has been ensured. But inveterate windbags and the conservative opposition itself have clearly lost their authority—an authority that had been so great until recently.

The general conclusion to be drawn from all these trips is that the regions are starting to live on their own wits, without excessively looking to Moscow. Their leaders and the public realize more and more that the main factors behind solving their problems are to be found

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right there—in the same place as their problems. They were aware of this in the past as well—at least, many of them were. But most often our proposals for solving their problems caused mainly irritation, were met with resentment, and were seen as a sign of weakness on the part of the center or as a reluctance to share out money and power. Now many regions themselves, without waiting for Moscow, are rolling up their sleeves and starting to solve their own problems. This is a very gratifying process. We will be helping them: helping them—taking part but not taking over [zameshchat].

[TRUD] The president's message to the Federal Assembly devoted an entire chapter to regional policy. This is quite a new term to many readers. Could you provide an explanation?

[Yeltsin] Relations with the regions are acutely in need of a strategy. After all, hitherto we have continued papering over the cracks. We have been covering up more and more holes. And we have not been able to break out of this vicious circle. Huge amounts of funds have been spent and the results are often minimal.

I have repeatedly heard rebukes along the lines that the president takes a bag of money with him on his trips and certain lucky enterprises receive support. I admit that I don't like that idea either. The president is not an ambulance. You can't salvage the situation or cure the country like that. You can't visit everyone who's in a bad way.

In general the basic problems are the same everywhere. But they cannot be solved by relying on the same recommendations. Separate lines of cooperation are urgently needed with each republic, each kray and oblast, each autonomous area, and large cities in the country. That contains immense potential for transformations. And this work is currently under way.

Russia is on the threshold of a fundamental change in its tax system. The principle of budgetary federalism is being asserted in this sphere of strategic importance for the state. We are leaving behind forever the practice of endless haggling between the center and the regions, whereby each party tries to get a bigger share. This has generated enormous resentment, suspicion, and abuses.

Now things will be different. Each republic and region will know exactly what share of tax revenue they will retain and what their responsibility for spending will be. This is a question of financial discipline at republic and regional level. It is directly linked with the financial discipline of the entire state. The demands will be equally tough.

Economic problems are increasingly being solved not by how many credits or concessions you manage to wring out of Moscow offices, but by the extent to which the region's political leadership is able to organize the local business climate and create conditions for the confident and stable development of the regional economy. In other words, we should now not be economic managers in the direct sense of the word, but create the conditions for economic management.

Of course, the state still retains a considerable proportion of the country's economic potential, there are many state-run plants, and it is simply duty bound to manage them in a tough way. But outside of these state-run plants the main task for Russian politicians today is the general state of the country or a region, and ensuring order and legality rather than petty interference in economic life.

The era of the regions' notorious struggle for their rights with the center is over. Quite honestly, there were essentially no combatants. From the very outset of the new Russian state, the center constantly called on the regions to take on as much as they could. But to take on not only rights but duties as well. And that is what many people have forgotten.

The Constitution now does not simply give regional politicians the right to be in charge of the life of a region. The new Constitution obliges them to do so. It obliges them! So the situation has changed sharply. Those who in the past would make political capital out of demanding that the center give them the rights to manage, now have to show just what they plan to do with those rights—after all, they are enormous.

Several special regional programs will have to be introduced. These programs should under no circumstances turn into mere handouts of federal funds to regional authorities. No, these will be federal programs to be implemented by the federal authorities under their direct control.

We intend to target federal aid perhaps not only at Federation components but also directly at those parts of their territories which are really in need, as well as certain cities. The aid program for regions in a particularly difficult position should be supplemented by a program for cooperation with those regions that are economic engines, with those advanced parts of the country which are bearing the brunt of reform and therefore need every possible encouragement from the federal authorities. It is in such places—Nizhniy Novgorod Oblast, for instance—that the federal authorities could agree to transfer funds to regional level. After all, it is in such places that the regional authorities have shown their effectiveness, since things are going well.

[TRUD] You have visited two Russian republics—Tyva and Tatarstan. What are things like there?

[Yeltsin] The Republic of Tyva was one of the most difficult and badly off places I visited on my summer trips. Almost all the main indicators there are worse or much worse than the Russian average. The republic cannot live on equal terms with other Russian Federation regions, relying on its own resources. A substantial

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proportion of Tyva's income is determined—and will be for a number of years to come—by federal budget revenue.

At the same time, I formed a fundamental conviction from my trip to Kyzyl that it is urgently necessary to work out a clear-cut policy for getting out of the present critical situation. Tough emergency economic measures and one-time infusions of cash will not remedy the situation. After all, the republic has great potential. And, above all, very rich resources. Tyva could be self-sufficient in electricity, cement, construction materials, and lumber. There is a good basis for the creation of nonferrous metal enterprises. There are favorable preconditions for the development of resorts and a tourist industry. Even a partial solution to these problems could give the republic's economy its second wind. But help is needed—and a lot of it—from other oblasts and republics, from all of Russia. Only together can we revive road construction. Only through joint efforts can we develop new mineral deposits and exploit our available labor resources.

The firm conviction that formed in me during my stay in Tyva is that the republic can be rescued from its grave condition only through the expedited development of cooperation with other parts of Russia. And, I reiterate, this should be based on a clear-cut, well-thought-out concept. In order to prevent in the future any situation whereby funds are not used properly.

Or take another republic—Tatarstan. It is located in the very heart of Russia at one of the most important transport crossroads. It is there, near Kazan, that Russia's main latitudinal axis is to be found. Running through Smolensk, Moscow, and Nizhniy Novgorod, it crosses the Volga—that great Russian river—and heads toward the Urals and then on to Siberia. Thanks to this, Tatarstan has very important advantages for its development, and it is making extensive use of them, establishing firm links with other Russian regions.

These links have allowed Tatarstan to focus its efforts on several types of production—oil extraction and comprehensive processing, truck production, aircraft manufacture, and other complex machine building. Tatarstan exports its excess output to other parts of Russia, and these exports play a large part in the Russian economy.

But some Russian regions have undertaken to supply Tatarstan with other goods—above all, consumer goods. Tatarstan now imports one and a half times more consumer goods than it exports, and its links with other Volga regions—primarily Samara Oblast—are particularly important in this area.

But Tatarstan's advantages could easily be lost if it were to cut itself off from the rapid changes in Russia. The initiative in economic development is moving more and more to new joint-stock and private organizations. And this sector is very sensitive to political stability, to the soundness of economic laws, and to free movement of goods, capital, and information across administrative borders. If none of this is in place, capital will stop flowing into a certain region. And this means that economic development will grind to a halt and be followed by backwardness. Tatarstan realizes this. That is why it decided to settle its relations with the federal center.

The example of Tatarstan and Tyva clearly shows how the situation varies in different parts of Russia. This too is not only a legacy of the past. In the course of reform a number of regions which in the past were leaders have found themselves in a very difficult position. Novosibirsk Oblast, for instance. It has a major science base, state-of-the-art production facilities geared mainly to defense, and a strong education system. But Novosibirsk Oblast's economy was created in the years of Soviet power and on an entirely nonmarket basis. All of its attention was concentrated on a small bunch of industries. And if there is a slump in certain sectors, the problem becomes 10 times worse.

The oblast has gotten accustomed to its leading role in Siberia. But the crisis has meant not only a fall in production and people's income. The psychological factors are equally important—loss of leadership, prestige, and influence. All this is happening in front of people's eyes and is of course eliciting an extremely pained reaction. But the oblast's potential is huge. There are thousands and thousands of top-notch specialists here. Their professional knowledge and training are far more valuable than oil. We must help this potential reveal itself. It will work primarily for the good of the inhabitants of the oblast, Siberia, and indeed all Russia.

The people of Novosibirsk are right in thinking their oblast deserves help from the center. And the Federation should redistribute the burden of reform so as to ensure that everyone receives a roughly equal burden. The people of Novosibirsk are not to blame for the fact that their specialization has proved deficient; it was after all developed at a quite different time. In the past the oblast served Russia well and now Russia must help it survive the hard times.

One can see from Novosibirsk Oblast's example that the Lord does, so to speak, move in mysterious ways. Tomorrow, no matter how prosperous it is today, every region may find itself in a difficult position. But every region should be confident that others will come to its aid.

I believe that is the essence of the principle of "territorial justice." And it is high time we set about this complex business of establishing the cooperation between the regions on which a normal state should be founded.

Plenty of Russia's regions, primarily all Siberia and the Far East, have found themselves in Novosibirsk's position.

[TRUD] In your view, what tendencies prevail today and what tasks face the federal authorities in these regions?

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[Yeltsin] For a long time Siberia was effectively developed as a colony and acted as a highly important source of raw materials. We pay credit to the courage of our forebears and those who work in this bleak area today. But Siberia has now entered a qualitatively new phase in its development.

The area has already accumulated a powerful industrial potential. There is a strong agriculture, quite capable of feeding the population and even providing plenty of produce for export. First-class scientific centers—in Novosibirsk and Irkutsk, for instance—have been set up here. The standard of culture was set by the great men of Siberia—the artist Surikov, our contemporary Viktor Astafyev, and other masters.

Siberia today is not a godforsaken hole but the crossroads of strategic routes between Europe and Japan. With, moreover, important outlets toward Central Asia, Kazakhstan, and, particularly importantly, China.

It is time to stop Siberians' health, forbearance, and industriousness being made to bear the cost of Siberia's typical hardships of everyday life, lack of amenities, hovels, and poisoned environmen. It is time that Siberia became a "normal" Russian region.

I was acutely conscious of everything that I am saying in Krasnoyarsk Kray, a gigantic region almost equal in size to Kazakhstan. The problems here are the same as in Russia only on a Siberian scale. If crisis manifests itself in certain sectors like the timber complex, it immediately finds itself on the brink of total collapse. If a slump affects military-industrial complex enterprises, whole cities are under threat.

Take the problem of the Far North. The whole way of life in this zone has proved totally unsuited to the new market conditions. It is not surprising that the population has begun a rapid exodus. Moreover it is most often the best qualified workers who are leaving. A solution does exist, namely to provide incentives, primarily organizational incentives, for the construction of housing for pensioners in southern Siberia. Then space will be freed up for young people.

There is the experience of the Ryazan Municipal Bank. By agreement with Yakutia's President Mikhail Nikolayev the bank is building housing for Yakut pensioners in Ryazan Oblast at roughly 1.5 times the cost of housing in the locality. But that is half the cost of the housing being vacated in Yakutsk. So the accord benefits everyone.

The local administrations and private business must also be active in importing foodstuffs to the North. This now represents a vast burden for the state. But at the same time owing to inflation this provides a tremendous incentive for living in the North. Foodstuffs consumed in the spring when wages rise are bought in the fall at far lower prices. We will welcome activity on the part of the regional authorities on this issue in every way.

The problem of plants that form self-contained cities is highly acute in Krasnoyarsk Kray. There are many of them in Russia. But particularly in Siberia. We are today paying for our desire to build giant plants. A huge "social infrastructure" was subordinate to the main plant. It provided plant personnel with enhanced status and at the same time exercised control over them. Now the slightest disruption in the work of these enterprises jeopardizes the existence of whole cities. Even such unique cities as Norilsk. There is one solution, namely to develop other production units in these cities, primarily units with a social thrust.

At one time gigantic "construction projects of the century" were undertaken on the territory of Krasnoyarsk Kray. Vast investments were allocated and people came from all corners of the country. It has rapidly become clear in the new conditions that many of these projects were implemented for the sake of political advertisement. At the same time the cessation of federal investment spells tragedy for tens of thousands of innocent citizens who came to these areas in the past. Russia does not have the moral right to abandon these construction projects to the will of fate. A general solution is for the Federation to guarantee the completion of this construction as well as to extensively mobilize local activity on both the part of the kray administration and, particularly, from private capital. I believe that a special program should be adopted in respect of such federal projects.

The Federation's task is to eliminate the sad legacy of the past more rapidly. That is, put an end to the isolation of cities with military plants and giant construction sites, complete the "construction projects of the century" that were begun in the recent past, help in reducing the cost of ties with the remote outside world, and overcome the overpopulation of the Far North. But it is primarily the job of the local authorities, the public, and citizens to ensure that the new shoots take root.

Let me repeat once again. The federal and regional authorities have a common task, that of activating local potential to resolve the existing problems. At the moment we are doing this badly. An example is the Far East's Amur Oblast. This is the main agrarian base for the whole of the Far East. It is the third oblast in the country in terms of gold extraction, the main area for Russia's trading contacts with China. The main part of the Baykal-Amur Railroad is to be found in the north of the oblast.

But how are things now? The oblast's agriculture is subsidized and fails to even meet internal needs. Coal extraction enterprises have fallen into decay, and extraction has fallen by two-third in the last few years. The oblast's economic complex is on the verge of total collapse. The population is leaving.

Is this really deadlock? No, just the opposite. The prospects for the oblast's development are extremely favorable. Primarily thanks to its excellent geographical position on the same latitude as Kiev and bordering China.

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The potential for border trade is huge. This is illustrated by the staggering example of the neighboring Chinese city of Heihe. In the last few years it has turned itself from an unimportant town into a major city with high-rise apartment blocks, expsnsive hotels, offices, etc.

It is necessary to move on to a vigorous economic policy. And create, for instance, a new-type free economic zone. Possibly in conjunction with China and enlisting Japanese capital. Local scientists have already formulated projects of this kind. Vigorous work is needed to stimulate a flow of people into the rural land of plenty around the Amur.

Needless to say there are tasks that only the Federation can perform. First it is necessary to establish relations with China, which have always been particularly complex and contradictory on this part of the border.

Today only the Federation will be able to fund such major projects as completing construction of the Bureya Hydroelectric Power Station or the bridge project [mostovoy perekhod] near Blagoveshchensk. Although here too ways of funding can be found using foreign capital or funds from neighboring interested regions.

[TRUD] What is life like now for Russia's regions, what particularly stuck in your memory?

[Yeltsin] During my latest trip down the Volga I saw once again saw that the country has tremendous potential. And that I must put all my effort into turning the federal authorities to face the regions.

Let me take this opportunity to urge regional leaders to go beyond the framework of their regions more and enlist their neighbors and associates in tackling common tasks, for instance in expanding mutual offsetting of debts or introducing bills of exchange. Even if this bypasses the central authorities.

You can be sure that the Kremlin will not be offended by this autonomy if it occurs within a legal framework. The more horizontal ties, so to speak, there are between our regions, the more durable the state fabric of our society will be.

I know that interregional associations are successfully carrying out this kind of work. Among them "Siberian Accord," "Greater Volga," etc. I am keeping an attentive eye on their activity and will continue to support it. After all there are so many highly interesting ideas and new approaches there! If help is provided at the start and you lend a hand these ideas begin to work, provide vast territories with a second wind, and revitalize Russia. Regional authorities are not waiting for the problems to be resolved at federal level but are taking their own steps increasingly actively.

Take nonpayments again. There is hardly a more acute, more politically and economically dangerous problem in Russia today. People in Tula have managed to organize mutual offsetting of debts, albeit within their own oblast. And this accounts for almost a fifth of the debts, at the very least. This administration will always enjoy the active support of the population and economic managers of all categories of ownership.

No matter where you are—in Nizhniy Novgorod, Tatarstan, Tolyatti, or Rostov-na-Donu—the mood is the same, one of close businesslike cooperation. The former sentiments are disappearing whereby people would say: Give us money. Now people talk about specific projects and suggest solutions that are well-conceived, well-calculated, and realistic, with a clear picture of the results.

Money can be invested in these projects without the fear of its being thrown down the drain. Let me cite just two examples.

You know that Russia's automobiles do not meet world standards in terms of many parameters: environmental parameters, fuel consumption, engine capacity, etc. Two Volga enterprises—VAZ and the Saratov Electrical Component Production Association—are establishing cooperation to develop electronic engine control systems. Such designs already exist for aircraft. And they raise Russia's aviation engines to world level. There is the possibility of these developments being employed in the automobile industry. And of cooperating further, and that is the main thing. That is we have chosen the option of making duel use of our products. That pays and will therefore win support.

Here is another example. The high-powered "Burevestnik" Research Institute can be found in Nizhniy Novgorod. This was the base for the development of Russia's artillery. But now with conversion a draft program has been formulated entitled "The Bare Necessities and Ecology of Man." The concept behind it is this: "Via clean fields free of toxins, clean water, and clean natural products to a healthy generation of people." The institute is working on developing and organizing production of the corresponding machine systems. Moreover the equipment that "Burevestnik" supplies is in many respects unique with no world parallels. Particular attention is paid to efficiency and economy. People here think about ensuring that customers can buy this output and ensuring that it is affordable. Those are the kinds of projects that we will support.

[TRUD] What is the clearest impression that you gleaned from your summer travels?

[Yeltsin] My summer travels around the country have in one way or another been linked with Russia's great rivers—the Amur, Yenisey, Ob, Volga, and Don. Russia has always been a country of rivers large and small. I admit that I was particularly conscious of that fact this summer. The beauty of the Volga countryside, its grandeur, and simplicity is one of the strongest impressions that I have had in my life.

Let me blunt and say that there is disquiet about the future of Russia's rivers, particularly the Volga, which

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has for a long time been the symbol of Russia. Over 60 million people—almost half of all Russian citizens—live in the Volga basin. Their health and well-being largely depend on the state of the great river. And it is in a very grave state now. After all virtually 40 percent of Russia's effluent is discharged into the Volga, 11 cubic kilometers a year.

And how our Volga is deformed by the stagnant seas created in the past. The natural living conditions of valuable, unique species of fish have been disrupted. Vast areas of pasture, water meadows, and forests have been flooded. Hundreds of villages and towns that stood for centuries are under water.

Needless to say, everything that has been done to our river cannot be set to rights straightaway. It will probably take many years to bring the Volga back to its former state of cleanliness and its former glory. But we must not under any circumstances shoot from the hip again.

I think that only cooperation and coordinated actions on the part of the federal and regional authorities and local self-government as well as active public participation can provide the Volga with effective aid.

There is no room for delay. This is one of Russia's most important tasks.

Yeltsin Team Seen Aiming To Delay Elections

MM2508145194 Moscow PRAVDA in Russian 25 Aug 94 pp 1-2

[Article by Boris Slavin: "The Lull Before the Storm. But Will the Elections Be Held at All?"]

[Text] Politics as a power struggle among various social groups and interests never ceases. There may be periods of calm in that struggle (especially in summer), but it is a deceptive calm. That is precisely the time of the unnoticed and secret work of various political forces heralding the onset of a period of "Sturm und Drang."

The most graphic manifestation of politics today is connected with the future elections to the Federal Assembly and the presidency. Since the events of October 1993 the efforts of those who wanted early elections of the parliament and president have faded into oblivion. The question now is phrased in these terms: Will the next elections be held at all? This question is increasingly becoming the central issue in Russian domestic political life, especially after V. Shumeyko's sensational statement that the elections should be postponed until the remote future.

As is well known, at that time Shumeyko's statement was a trial balloon launched to test public opinion. It caused a stormy reaction among various political forces. V. Lukin, leader of the "Yabloko" faction in the State Duma, likened Shumeyko's statement to a bull in a china shop. State Duma leader I. Rybkin took many people by surprise when he said that he thought that the proposal was not without foundation. In his opinion, the people have grown tired of all these elections, and if the Federation components support Shumeyko's suggestion the Duma will be able to resolve it in a positive way.

Strange as it may seem, the notorious "democrat" Yelena Bonner spoke out against postponing the elections. At a recent conference entitled "The Lessons of August 1991. The People and Power," she again criticized V. Shumeyko for his attempt to revise the state's fundamental law. It is characteristic that this criticism reflects the mood of a certain section of the radical democrats who no longer trust President Yeltsin. In their opinion, the president is increasingly distancing himself from Western ideals and is increasingly playing into the hands of the "intransigent opposition." As is well known, another section of the radical democrats headed by Gaydar believes that there cannot and must not be a real alternative to Yeltsin in the elections.

Who stands to gain from a postponement of the elections? First and foremost the president himself and his entourage, who must now answer for the disastrous consequences of the bourgeois reforms that we are experiencing. They understand that the process of a strengthening of the positions of the left-wing forces that began in December could lead ultimately to a loss of power for the democrats. In this connection it is highly noteworthy that, according to Sergey Filatov, the period when the reformers enjoyed the trust of the people is over. Consequently it is clear that the president's team will do everything possible to have the next elections postponed. The start of the presidential election campaign is not ruled out here, but is even assumed, as illustrated by the well known trip along the Volga.

However, the consent of the overt and covert allies of the president in the shape of Shumeyko, Gaydar, Rybkin, and the rest is not enough to secure the postponement of the elections. The proposal to postpone the elections also needs the support of the opposition: the Communists, the Agrarians, and the Liberal Democratic Party of Russia. That is why the president's staff have in recent months been working behind the scenes with the leaders of opposition factions. It is said that the president himself has met with several of them. The strategy of this work is as follows: Either all the opposition parties must be persuaded to agree to a postponement of the elections or, if the worst comes to the worst, one of them must be isolated. If they reach agreement with the Communists that will leave Zhirinovskiy in isolation, and vice versa. Certain sacrifices may be made to achieve this goal. For example, the relevant opposition leaders might be invited to work in the government. Certain names have already appeared in the press. The left has not yet come out clearly against postponing the elections. It should be stressed here that the solution of this question is no less important than the vote on the budget. In my view, there can be no compromise on this question. Compromise wrecks the strategic interests of the Communists, who are called upon to express the people's will, and that will

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is unambiguous: The regime which has caused the impoverishment of the people and the destruction of the Union must be consigned to political oblivion.

If the elections nevertheless take place, the following tactic will be used. It is not impossible that the democratic movement will put forward an alternative to the president, a figure with a so-called social democratic face. Many people have now begun talking about social democratic ideals. People like the notorious Marshal Shaposhnikov, who once threatened to bomb the Kremlin, or G. Yavlinskiy, whom the press is doing its best to popularize, or, if the worst comes to the worst, S. Shakhray or even M. Gorbachev could come forward as social democrats. There is another scenario: Split the intransigent opposition into tiny pieces while at the same time all the democrats could unite and put forward Yeltsin again as a common candidate.

The logic there is that a multitude of opposition candidates will not be able to defeat a single democratic candidate. In that connection the opposition must do everything possible to overcome the ambition of its leaders and field a common candidate. Who will that candidate be? Zorkin, Rutskoy, Zyuganov, Anpilov? It does not matter. It is far more important that it be a figure of nationwide stature, on the one hand, and a fairly radical figure, on the other. Otherwise the people will opt to vote for Zhirinovskiy again.

The summer lull in political life is coming to an end. Fall will soon be upon us. Will it be another "hot" one, to use the president's phrase? I think so. But this time, I hope, the last word will be not with the president or the parliament but with those who are called the working people. Their patience is running out. Their anger is coming to a head, albeit slowly.

Chernomyrdin Refuses To Take Part in National Farmers Rally

LD2508185994 Moscow INTERFAX in English 1549 GMT 25 Aug 94

[From the "Presidential Bulletin" feature No. 164 (654): compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Prime Minister Viktor Chernomyrdin has refused to take part in a national farmers' rally ending in Moscow later in the day on Thursday, members of the farming sector's coordinating committee for collective action told Interfax.

Participants in the rally were expected to lay down both economic and political demands including the resignation of President Boris Yeltsin. IF Note: The rally was called by the Agrarian Party of Russia (APR) which accuses the government of failing to honor its obligations, including financial ones, to the agro-industrial complex.

The farmers' economic package includes demands for government regulation of the economy and a ban on land transactions, the formation of large estates and profiteering from the sale of land. "The land must belong to those who till it", APR members believe.

The event follows similar rallies on the ground.

Speakers at a regional rally in Kabarovsk on Thursday called for the immediate resignation of the federal government sending an appropriate resolution to the president and the Federal Assembly.

The resolution also demands the adoption of a federal program for the development of the agro-industrial complex, payment for last year's crops and to resolve the question of pay increments to residents of the Far East at the cost of the federal budget.

Chairman of the regional coordinating committee Nikolay Larionov says that local unions and work collectives have been trying to draw the government's attention to the plight of the farming sector for the past three years now. He blames the sector's hardships on ill-conceived rural reform and the government's failure to honor its obligations to the countryside. Although the government allocated Rbl 17.1 trillion for financing the agro-industrial complex this year, a mere 7 percent of that sum has so far been made available.

Spokesman Reiterates Moscow's Sovereignty Over Chechnya

LD2508121594 Moscow ITAR-TASS World Service in Russian 1126 GMT 25 Aug 94

[By ITAR-TASS correspondent Vladimir Taranov]

[Text] Moscow, 25 Aug—The RF [Russian Federation] foreign ministry stated "quite definitely" today that Chechnya "is regarded by Russia as a component part of the Federation and, therefore, everything that happens there is an internal matter for the RF."

This statement was made at a briefing in Moscow today by Grigoriy Karasin, director of the information and press department of the RF Foreign Ministry. He was commenting on the attempts of the Chechen leadership to get the North Caucasus diaspora in the countries of the Near and Middle East to spread propaganda about its ideas and policies.

He noted that "the extremely complex situation in Chechnya is having a negative impact on the general situation in the Caucasus and provoking a further intensification of existing ethnic conflicts in the region."

The leadership of the RF, he continued, "is interested in a complete normalization of the North Caucasus situation through peaceful and constitutional means and opposes the use of force to settle the Chechen crisis."

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Shakhray Says Opportunities With Dudayev Exhausted

LD2608102394 Moscow ITAR-TASS World Service in Russian 0953 GMT 26 Aug 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow, 26 Aug—Opportunities for a political dialogue with Dzhokhar Dudayev have been exhausted, Russian Vice Premier Sergey Shakhray told the ITAR-TASS correspondent today. At the same time, he stressed that "there will be no forceful intervention in the settlement of the Chechen problem, and Russian troops will not be sent to the territory of the republic."

The vice premier revealed that the Russian Government is currently engaged in consultations with the Chechen interim council. The Government has already granted the interim council 1.5 billion rubles for pension payments. According to the Sergey Shakhray's information, the interim council already "controls a significant part of the territory." The vice premier believes that Dzhokhar Dudayev "would be resolutely defended by 120 people, while the interim council now has about 1,000 armed defenders."

Sergey Shakhray believes that Dudayev's voluntary resignation and democratic elections would the the best way to settle the Chechen crisis. "In this way the Russian Constitution can be restored in Chechnya," he said, without clarifying how long the Chechen crisis is going to last.

Shakhray Views Khasbulatov's Growing Role in Chechnya

LD2508194694 Moscow INTERFAX in English 1806 GMT 25 Aug 94

[Text] Moscow will have to establish contact with the ex-speaker of the Russian Federation's former Supreme Soviet Ruslan Khasbulatov if he receives support from the Chechen people, Vice- Premier Sergey Shakhray has said.

Asked about his attitude to the growing role of Russia's ex- parliamentary speaker in Chechnya Shakhray said that the federal authorities would have to cooperate with him depending on Khasbulatov's attitude to the restoration of Russia's territorial integrity and the settlement of relations with the center under the Tatarstan pattern.

"For Russia it is most important to preserve territorial integrity, constitutional rule and the protection of citizens of any nationality: Chechens, Russians, Ingush, representatives of all peoples resident in Chechnya", Shakhray said.

"The current position of the Chechen republic as a matter of fact upsets Russia's territorial integrity and harms its national security. The worst threat to Russia is posed by soaring crime rates in Chechnya and the sharp fall in the people's material position. Historically it is unimportant who is resolving or will resolve these urgent problems in person", Shakhray said.

"Of course, one cannot forget that Khasbulatov played an important role in Dzhokhar Dudayev's rise to power, but the interests of a united Russian State and respect for the will of the Chechen people are a priority to us", Shakhray stated.

Recently Shakhray was appointed chief of the commission at the office of the Russian president for drafting treaties on the delimitation of powers and areas of competence between the federal bodies of state power and the authorities of individual members of the federation.

Stepashin Denies Any Plutonium Thefts in Russia

LD2508210494 Moscow ITAR-TASS in English 2011 GMT 25 Aug 94

[By ITAR-TASS]

[Text] Moscow August 25 TASS—"The chiefs of (German) special services have assured me that they have nothing to do with fuelling hysteria (about the smuggling of weapons-grade plutonium) and are not interested in instigating a political campaign," the director of the Russian Federal Counterintelligence Service, Sergey Stepashin, told the TV programme "Moskva Kreml" of Commonwealth television on Thursday night.

There are certain forces both in Russia, and in Germany, and in other states, which would not like our countries to have serious, constructive economic and political relations, "especially personal contacts, very serious and even friendly, between Chancellor Kohl and the Russian president... Who is behind all this, and who hopes to benefit from it—this is a topic for a separate conversation," Stepashin stressed.

As for the situation about the production, and all the more about the thefts of components that can be used for nuclear weapons, in particular weapons-grade plutonium, "I can guarantee with full responsibility that this is ensured by the Federal Counterintelligence Service, the Interior Ministry, the Atomic Energy Ministry; we have never had such facts, nor do we have them now or will have in the future," the counterintelligence chief emphasised.

Uranium Stolen From Arzamas-16 'Presents No Danger'

LD2508142894 Moscow INTERFAX in English 1340 GMT 25 Aug 94

[Text] The 9.5 kilos of uranium-238 confiscated by the Federal Counterintelligence Service last Saturday represents the low- concentration natural uranium waste from which the weapons-grade uranium-233 and 235 had already been extracted.

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The 9.5 kilos are "useless"; they take the form of a large chunk of metal of high density used by technologically advanced countries to manufacture artillery shells, the deputy director of the Federal Nuclear Center (Arzamas-16), Yuriy Yakimov, told Interfax.

According to him, the stolen uranium "presents no danger in terms of radioactivity", its radiation level is "extremely low", and the chunk could be dangerous "only if it is held with bare hands for a long time."

Yakimov "would like to assure the world public and news media" that security requirements in the guarding of weapons-grade uranium are "much stricter". He said that last year local guard units conducted special exercises, and the Vympel Group from Russia's Interior Ministry, whose members took part in the exercises, "gave a high assessment of the procedure for storing and guarding nuclear materials adopted by the federal center."

The report on the robbery of uranium from Arzamas-16 broadcast on Wednesday "caused great political damage to our state," Yakimov stated. He believes that a federal program should be adopted to strengthen dosimetric control at the relevant agencies.

Inquiry Into Uranium Theft Continues

LD2508175094 Moscow MTK Television in Russian 1500 GMT 25 Aug 94

[Text] The international scandal around the smuggling of nuclear materials appears to be gaining momentum. The German Foreign Minister Klaus Kinkel deems the question to be serious enough to be discussed in the UN Security Council. The latest reports on the theft of almost 10 kilos of uranium from the Federal nuclear center in Arzamas-16, a closed town, has added fuel to the fire. Incidentally, competent institutions in Russia maintain that the stolen uranium can only be used as fuel for nuclear power stations. For a nuclear powered station to start working, 60 tonnes of this substance are required.

Andrey Semenov, the representative of the Federal Counterintelligence Service for the Nizhniy Novgorod Oblast has the details on the theft in Arzamas-16.

[Begin Semenov recording, identified by caption] In June this year the military counterintelligence of Arzamas-16 had received reports that a resident of the town had in his possession uranium- 238. Following a search and an investigation, these reports were confirmed. The uranium was confiscated and sent for examination. The materials of the investigation were forwarded to the department of the interior of Arzamas-16. On 2 August this year criminal proceedings were started regarding the illegal storage, in accordance with Article 223, Point 2, of the Criminal Code of the Russian Federation. By joint effort, additional information was obtained on this criminal case—that another resident of the town was also storing some 4.5 kilograms of crude uranium. On 20 August, this uranium was confiscated and sent for examination. Specialists of the center for applied physics are conducting the examination of the confiscated uranium now, but one can already say that this uranium is not weapons-grade. The main objective of the investigation is to identify how these people had obtained the uranium. At the moment we do not know how, because the people involved in the criminal case are not employed by the Russian Federal Nuclear Center or by the electromechanical works of Arzamas- 16. [end recording]

Shakhray Urges Resignation of Finance Minister Dubinin

LD2508194794 Moscow INTERFAX in English 1806 GMT 25 Aug 94

[Text] Vice Premier Sergey Shakhray is pressing for the resignation of acting Finance Minister Sergey Dubinin due to the disruption in financing the delivery of goods to the Far North and neighboring territories.

A well informed source in Russia's Cabinet of Ministers told Interfax that Shakhray had made this statement Thursday during the sitting of a governmental commission in charge for the deliveries of goods to the North.

The sitting pointed out that the efficiency of goods deliveries to the Far North largely depends upon the timely allocation of funds. However, despite the fact that the government allocated 5.3 trillion rubles to ensure goods and food products shipments over the summer, the Finance Ministry had transferred only 3.4 trillion rubles (as of August 22).

Shipments of goods and food products to the Far North must be completed in late August - early September due to the severe climatic conditions.

Military & Space Issues

Cargo Spaceship Progress M-24 Launched From Baykonur

LD2508182894 Moscow ITAR-TASS in English 1816 GMT 25 Aug 94

[By ITAR-TASS]

[Text] Moscow August 25 TASS—At 18:25 Moscow time on Thursday, the automatic cargo spaceship Progress M-24 was blast off from the Baykonur launching ground in Kazakhstan, the mission control centre reported.

The spacecraft is due to deliver consumables and various cargoes to the manned complex Mir.

Progress M-24 was put into orbit with the following characteristics:

—maximum distance from the Earth—238 km;
—minimum distance from the Earth—192 km;
—orbital period—88.5 minutes;

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—inclination—51.6 degrees.

According to telemetric information, on-board systems of the cargo spaceship are functioning normally.

Defense Ministry Satellite Launched From Baykonur

LD2608131094 Moscow ITAR-TASS World Service in Russian 1227 GMT 26 Aug 94

[By ITAR-TASS freelance correspondent Viktor Gritsenko]

[Text] Moscow, 26 Aug—A two-stage Zenit-2 booster rocket lifted off from launchpad no. 45 at the Baykonur cosmodrome at 1600 hours Moscow time today. The rocket, which was launched by Russia's military space forces on behalf of the Russian Federation Defense Ministry, successfully placed the satellite Cosmos-2290 in orbit.

The press center of the military space forces told ITAR-TASS that Zenit-2 was the 30th space rocket to be launched by Russia this year.

Army 'Will Not Stoop to Political Squabbles'

MM2508182494 Moscow KRASNAYA ZVEZDA in Russian 26 Aug 94 p 1

[Article by Oleg Falichev: "The Threat of the Man With the Rifle Is Being Brandished at Society Again. Who Needs This, and Why?"]

[Text] The summer lull in political and public life is apparently already behind us. And once again the newspapers, as if in collusion, have begun to cook up "facts" on the subject of "army life." But once again, alas, there is nothing new. First the Defense Ministry is accused of not implementing reforms, although the progress of the reforms has been reported in detail in KRASNAYA ZVEZDA and other publications on many occasions. And the plan for their implementation was approved by the Russian Federation president himself, who, in a recent message to parliament, assessed highly the changes in the Army and Navy. Then there are accusations against the top military leadership over things that it has absolutely nothing to do with, that do not fall within its competence or the framework of its day-to-day affairs. Then the journalistic gentlemen start looking for a civilian post for the defense minister and "stitching" a civilian suit for him, etc. etc. Meanwhile tendentious conclusions and predictions are made, and a distorted impression of the positions and actions of the Defense Ministry leadership is created among the public.

It cannot be denied that there are many problems in the Army and Navy at present. The withdrawal of troops from the far and near abroad, the mass reduction in personnel, officers without apartments, the low "remuneration" compared with other power departments.... But despite this, the Army is combat-ready and remains one of those state institutions that inspire society with calm and with hope for the stabilization of the situation. It is worthily fulfilling its tasks in Abkhazia, Tajikistan, the Dniester.... It is not demoralized, as other social groups and strata of our society have been demoralized, having swallowed the bait. All this indicates that such reports are certainly not aimed at helping either the state or the Army, in these difficult times, to tackle the Army's needs and problems. They pursue entirely different goals. What are those goals?

One is to cut the already meager military budget and encroach on the military's already slim privileges. The mechanics of this are fairly simple. They have been tried out in other countries. For instance, in the United States, when they wanted to increase defense appropriations, the myth of the Soviet military threat was hyped. It worked without fail. Our own legislators are being intimidated with the claim that the Army is becoming an autonomous political forces, that the Armed Forces are becoming increasingly dangerous to our own people, getting out of control, and harboring the threat of more putsches. The absurdity of these conjectures is so evident that specific rebuttals hardly seem necessary. As for the budget, by cutting it from the requested 66 trillion to just over 40 trillion, they forced the Army literally to fight for its survival.

The second reason for such "attention" toward the Army is the struggle of various political forces for spheres of influence, including in the Army. Left, right, jingoists, and democrats of various hues are doing very well at this, having forgotten about the Treaty on Social Accord. The joint Russian-American command staff exercises at the Totskoye Test Range have proved a kind of litmus test here. The Liberal Patriotic Party and others are prepared even to undertake protest actions to prevent the exercises being held. That is to say, some people want to extract political dividends even from apparently purely military matters—exercises. Aleksandr Konovalov, director of the Center for Military Policy and Systems Analysis, for instance, assessed it thus: The Totskoye command staff exercises have become a bugaboo in the political struggle of forces that supposedly care about Russia's security.

The numerous civilian "well-wishers" do, of course, also have other interests, some of them downright selfish. But the most remarkable thing is that none of them really knows anything about Army problems. Nor do they want to. To say nothing of another aspect: Just as in the good old party-nomenklatura years, virtually none of them has done service. Some of them even go on television, boast openly about how they managed to wriggle out of army service, and incite young people to do the same. God is their judge, but their ideology and morality, however large their circulation, will never take root, I am convinced, on Army soil. Despite the fact that the Russian officer is deprived of much today, is basically cut off from what is known as privatization, and suffers—in addition to material privations—the mental discomfort

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associated with the contemptuous attitude of certain snobs to his job, nonetheless he will not stoop to political squabbles and confrontations. All this is not characteristic of our Army, it is not part of its traditions. And certain publicists are wasting their time trying to prove otherwise.

As for the Defense Ministry, it believes that in present conditions, exploitation of the Army's difficulties and provocative attempts to drag it into internal political squabbles and palace games are dangerous both to the Armed Forces and to society. The problems of the Armed Forces must not become a pretext for whipping up political passions. The Army, however hard some people may try to drag it onto their own side, will remain the guarantor of the stability of society and the country as a whole.

Yegorov Reiterates Troops Will Not Enter Chechnya

LD2508160594 Moscow ITAR-TASS in English 1500 GMT 25 Aug 94

[By ITAR-TASS correspondent Vyacheslav Bondarenko]

[Text] Rostov-on-Don August 25 TASS—Russia has repeatedly emphasized that it does not intend to interfere militarily in the conflict in Chechnya. This refrain was picked up at a press conference on Monday by Nikolay Yegorov, minister for nationalities and regional policy.

"Russia will not deploy her internal troops in Chechnya. Insinuations to that effect increase the tension in the north Caucasus, which is advantageous only for certain politicians. We believe that the Chechen people are wise enough to handle their own problems," Yegorov stated.

Yegorov was a participant in a meeting attended by the leaders of the republics, territories and regions in the south of Russia which belong to the "North Caucasus" association. The meeting was held in Rostov-on-Don. The participants discussed preparations for the winter, ways to jointly resolve social development problems, the fight against cholera, and the situation in Chechnya.

At the post-meeting press conference, journalists were told that appeals had been drafted to the Russian president and government asking them to increase federal agricultural subsidies, enlarge the amount of state food purchases in the south of Russia, and lower the price of fuel. A different appeal was adopted to be sent to the people of Chechnya. Finally, the meeting's participants discussed and approved a plan for the construction of a 80-kilometre long railroad line to directly connect Dagestan and Stavropol.

Russian Troops in Dagestan Fight Cholera

LD2508161494 Moscow ITAR-TASS in English 1458 GMT 25 Aug 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow August 25 TASS—The introduction of additional Russian internal troops in the cholera-stricken republic of Dagestan is not at all connected with the troubled situation in Chechnya. Their new assignment has the aim of putting a stop to the spread of cholera in the region, ITAR-TASS was told by Vasiliy Panchenkov, a representative of the internal troops of the Russian Interior Ministry.

Panchenkov said the introduction of more units was "a forced and temporary measure", and referred to the appropriate article of the law on internal troops, which states that the military may have to assist authorities and interior bodies in carrying out human-rescue operations in the case of large-scale accidents, catastrophes, fires, natural disasters, and epidemics.

The interior forces spokesman said the units being sent to Dagestan had undergone special training and were properly equipped for their job.

Grachev, Lebed Discuss 'Destiny' of 14th Army

LD2608094294 Moscow ITAR-TASS in English 0927 GMT 26 Aug 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow August 26 TASS—Russian Defence Minister Pavel Grachev and General Aleksandr Lebed, commander of the 14th Russian Army stationed in Moldova's breakaway Dniester province, discussed the destiny of the 14th Army on Friday morning. ITAR-TASS learned this from the Russian Defence Ministry's agency for information and the press. As is known, General Lebed was recalled to Moscow from Tiraspol on an order of the defence minister on Thursday.

Lebed Denies Reports of New Appointment

LD2508124294 Moscow ITAR-TASS in English 1225 GMT 25 Aug 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, August 25 (TASS)—Commander of the 14th Russian Army Lieutenant-General Aleksandr Lebed flew from Tiraspol to Moscow in the afternoon today after a telephone call from the office of the Russian defence minister.

ITAR-TASS was told by Major-General Vladimir Kosarev, chief of the information and press department of the Defence Ministry, that the general was summoned to the Russian capital by Defence Minister Pavel Grachev to discuss problems linked with the future of the 14th Army.

General Lebed has just returned to Tiraspol from Moscow. He said at the airport that he remained in command of the army and denied rumours about his new appointment, which he was allegedly offered in Moscow at the end of last week.

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Flies Back to Moscow

LD2508121094 Moscow ITAR-TASS World Service in Russian 1020 GMT 25 Aug 94

[By ITAR-TASS freelance correspondent Sergey Aprelev]

[Text] Tiraspol, 25 Aug— Commander of the 14th Russian Army General Aleksandr Lebed, who arrived in Tiraspol from Moscow today and resumed his previous duties, will have to return to Moscow this afternoon. In this connection the Army Commander cancelled a news conference, which had been scheduled earlier. The ITAR-TASS correspondent was told at the army headquarters staff that the general needs to leave for the Russian capital urgently after receiving a phone call from Russian Federation Defense Minister Pavel Grachev. For the time being the staff has not explained the seasons for such haste.

Further on Lebed Comments

LD2608122694 Moscow ITAR-TASS World Service in Russian 1154 GMT 26 Aug 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, 26 Aug—"The army stays, the army commander stays," Lieutenant General Aleksandr Lebed told ITAR-TASS after his meeting with Russian Defense Minister Pavel Grachev, during which questions connected with the future of the 14th Army were discussed.

"The minister listened to my report attentively and made a number of decisions, notably on a sensible reduction of the army's administrative staff," Lebed stressed. He noted that his talks with Grachev had been a morale-booster. He said he believed that commonsense had prevailed and that he had informed the army's officers and men of this immediately.

The army commander noted that there was no point in overdramatizing his sudden arrival in the Russian capital. "The defense minister wanted to meet me before his departure for the Western Group of Forces. So he issued this directive, believing that I was in Moscow anyway," the army commander said.

Lebed will spend a few more days in the Russian capital. He said this was connected with the need to resolve numerous problems facing the 14th Army. This afternoon he met leaders of the General Staff.

Grachev Denies Wanting to 'Settle Scores'

LD2608125894 Moscow ITAR-TASS World Service in Russian 1243 GMT 26 Aug 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, 26 Aug—Army General Pavel Grachev today denied rumors that the leadership of the Russian Defense Ministry allegedly wants to "settle scores with a recalcitrant Army commander" under the guise of reorganizing the 14th Army. In his statement, which was issued by the Information and Press Directorate, he stresses that "plans to reshape the Army and improve its organizational structure are solely related to corresponding foreign policy decisions, which are still being finalized. The possibility that certain amendments will be made to them by the president, the Government, and Parliament canot be ruled out."

Renewed Army Pay Arrears Could Mean 'Social Explosion'

MM2508142194 Moscow KRASNAYA ZVEZDA in Russian 25 Aug 94 p 1

[Article by Yuriy Gladkevich: "If There Is No Remuneration, It Is Hard To Expect Effort. An Explosion Is Rather To Be Expected"]

[Excerpts] Last year KRASNAYA ZVEZDA frequently wrote about the difficulties with everyday living experienced by army and navy servicemen and civilian personnel who had not received their pay and wages for three or four months. The letters and cables from the localities that we received on this subject provided weighty grounds for predicting major disruptions in the life and activity of the troops and Armed Forces labor collectives should this situation persist for some time to come. Fortunately, it proved possible to normalize the situation and the social tension caused by the financial disorder was gradually defused.

However, you cannot describe this year as satisfactory in this respect either. [passage omitted]

Today Russia as a whole and our Armed Forces in particular very much need every one of us in every job to work conscientiously and intensively whether it be in the Army, at a machine bench, at a construction site, or at a designer's drawing board. It is with such work that the anticipated results of reforms, an upsurge in our economy, and political stability in society are directly associated. But sober reasoning suggests that not only global cataclysms but also ordinary delays with wages may be "fatal." May be the kingpin that can completely knock out the spokes in the wheel of the Russian reform chariot.

Alarming trends have been noticeable for a long time now. Theft and pilfering, for instance, are everyday phenomena in production today, whether at "civilian" enterprises or "military" construction sites, repair plants.... And this even happens in troop units, and theft here is by no means innocuous since military people deal with weapons and munitions, costly property, and hardware. One can of course talk about the decline of morals and the general negligence regarding state property and the state's interests and possibly even link these cases of theft and pilfering with the state's failure to fulfill its commitments to those who work for it. But the commitment to pay people for their labor is one of the most elementary....

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The editorial office has no intention of absolutizing the facts cited in these comments. These problems may have already been resolved for the collectives in question. But there are after all still dozens of other places (and others may quite possibly appear) where people have also not been paid their pay and wages for months, where they are in agony at the realization that, no matter how hard they work, no matter what good they do the Fatherland, they are nonetheless unable to provide their families with a proper standard of living. Needless to say, military people and those working in Defense Ministry organizations are more patient than the miners, who have repeatedly shown the country's leadership their readiness to take extreme measures. Nonetheless, it is shortsighted to try this patience infinitely: If a social explosion matures in the depths of the army and navy, in troop units, or the military department's labor collectives, it may shake society far more than the miners' actions. And it is especially clear that it will seriously undermine the already difficult process of reforming our Armed Forces.

Regional Affairs

Chechnya Provisional Council Orders Dudayev Arrest

LD2508170894 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 25 Aug 94

[Text] The procurator general of Chechnya appointed by the Provisional Council has ordered that Dzhokhar Dudayev be taken into custody. This decision has been made, I quote, to prevent the Chechen president from trying to evade legal proceedings.

Meanwhile, a rally of many thousands in Groznyy has demanded that a holy war [gazavat] be declared against Russian troops. Quoting local sources, INTERFAX reports that the rally is openly anti- Russian in character. Those taking part in the action have already passed a sentence of death by firing-squad on Sergey Filatov, the Russian president's chief of staff, in his absence.

For its part, the Russian side, in the person of Foreign Ministry spokesman Grigoriy Karasin, has yet again voiced concern at the situation in Chechnya.

[Begin Karasin recording] The fact that the Chechen leadership is making active efforts to establish contacts in foreign countries from the position of an equal subject of international law, and is trying to use the North Caucasus diaspora in the countries of the Near and Middle East to spread its ideas and policies speaks for itself. In this connection, it is necessary to make it absolutely clear that Russia views Chechnya as a component of the Federation, and, consequently, everything that occurs there is an internal affair of the Russian Federation. [end recording]

Council Supporters Blockade Groznyy

LD2608094894 Moscow ITAR-TASS World Service in Russian 0913 GMT 26 Aug 94

[By ITAR-TASS correspondent]

[Text] Znamenskoye (Nadterechnyy rayon, Chechen Republic), 26 Aug (ITAR-TASS)—Armed opposition detachments siding with the Chechen Interim Council today started to blockade Groznyy. ITAR- TASS learned this from a well-informed source in the Chechen Interim Council. The same source says that yesterday an armed opposition detachment headed by Beslan Gantamirov won control of the strategically important Chervonnaya bridge, which was guarded earlier by [President] Dzhokhar Dudayev's supporters.

The source says a similar operation is being carried out today in the north of the capital. Opposition detachments are blockading the Ishcherskaya bridge north of Groznyy. Ten T-62 tanks, several armored personnel carriers, and two infantry battalions of the opposition forces are taking part in the operation.

ITAR-TASS has not yet received any confirmation or denial of these claims from the official authorities in Groznyy.

Chechens Claim Sovereignty of Airport

LD2508113594 Moscow ITAR-TASS World Service in Russian 1114 GMT 25 Aug 94

[By ITAR-TASS correspondent]

[Text] Groznyy, 25 Aug—The Chechen Foreign Ministry has once again accused Russia of harboring claims on Chechen airspace. In a statement issued today, the Chechen Foreign Ministry says that Sleptsovskaya Airport, over which there has been so much fuss, is on "land which has been Chechen from time immemorial, but which was annexed as a result of the imperialist policy of the Russian leadership."

The Chechen Foreign Ministry claims that, by banning unauthorized flights to this airport, the Chechen state is merely taking retaliatory measures to defend the security and integrity of its territory in accordance with the principles of international law.

Earlier the general staff of the Chechen Armed Forces warned that it could not guarantee the safety of unauthorized flights to that airport. It should be remembered, however, that Sleptsovskaya Airport is on the territory of Ingushetia. The border between Chechnya and Ingushetia has still to be defined legislatively.

Groznyy Calls for Holy War Against Russian Troops

LD2508141994 Moscow INTERFAX in English 1340 GMT 25 Aug 94

[Text] Thousands of supporters of Chechnya's independence gathered for a rally in one of the central squares in Groznyy on August 25, a senior Chechen official told Interfax.

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He said that the rally is attended by 300,000 to 350,000 people. Some are Chechens from outside Groznyy and others arrived from neighboring North Caucasian republics.

The official, wishing anonymity, said the rally is virulently anti-Russian.

The crowd called on the Chechen leadership to declare a hazawat (holy war) on the Russian troops.

Meanwhile, Chechen President Dzhokhar Dudayev, who addressed the nation last night on television said that a holy war should not start until Russia changes tactics from "creeping intervention to flagrant aggression."

Opposition Supporters Ready To 'Storm' Palace

LD2508165394 Moscow ITAR-TASS World Service in Russian 1530 GMT 25 Aug 94

[By unidentified ITAR-TASS correspondent]

[Text] Groznyy, 25 Aug—The confrontation between pro and anti Dudayev forces is continuing in the Chechen capital. A rally in support of Dzhokhar Dudayev, which has been dubbed nationwide by its members, is currently taking place in front of the presidential palace in the city center. Meanwhile, the so-called "peace-making group of Ruslan Khasbulatov" is holding its own meeting in the settlement of Staraya Sunzha on the city's eastern outskirts. More than 40,000 have gathered on each side.

The first rally was addressed by Dudayev, who appeared before the crowd with his entire cabinet of ministers. He again accused his opponents of "betraying national interests for 30 pieces of Russian silver" and assured the rally participants that there would be "no turning from the road toward achieving independence for the Chechen state."

Those taking part in the pro-Dudayev rally are demanding the harshest of punishments for the supporters of Khasbulatov.

In turn, a resolution by the rally of opposition supporters in Staraya Sunzha called the Dudayev regime anti-popular and promised to judge its head by the laws of shariat.

Ruslan Labazanov, head of a powerful armed grouping who announced his full support for Khasbulatov's peace-making mission at the previous gathering in Shali on 20 August and promised to "make it a reality," spoke at the Khasbulatov rally. Some of those assembled in Staraya Sunzha expressed their readiness to "storm the presidential palace today."

Dudayev: Khasbulatov Seeks War in Chechnya

LD2508194094 Moscow INTERFAX in English 1806 GMT 25 Aug 94

[Text] The Chechen people can only be free in an independent Chechnya, President Dzhokhar Dudayev told a rally of his supporters in Groznyy Thursday.

Speaking on the activities of the ex-speaker of the Russian parliament, Ruslan Khasbulatov, he said that "all those who persecuted the Chechen in Moscow now claim to be defenders of the Chechen people."

"Khasbulatov's goal is to trigger off a war in Chechnya in order to make a comeback on Russia's political scene," Dudayev said.

He said the opposition disguised as peacekeepers "wanted to insult Islam and introduce a religion whose gods are Moscow politicians."

"The Chechen people have enough force to stop the activities of Russian mercenaries and gangs which form the base of support for the Russian citizen Khasbulatov," Dudayev said.

Chechen President Views Conflict With Russia

AU2408121694 Prague LIDOVE NOVINY in Czech 15 Aug 94 p 9

[Interview with Chechen Republic President Dzhokhar Dudayev by Petra Prochazkova and Jaromir Stetina; in Groznyy, date not given: "The Centuries-Old Conflict Between Chechnya and Russia"]

[Text] Late at night, Dzhokhar Dudayev, president of the Chechen Republic, granted an interview to LIDOVE NOVINY in his residence in Groznyy, the capital of the republic. He is very busy these days, since his greatest concern is the organization of the defense of the country. In the opinion of Dzhokhar Dudayev, the young, independent republic is in danger. Relations between Chechnya and Russia have sharply deteriorated recently. Chechnya insists on its independence, while Russia presses Chechnya to subordinate itself to Moscow.

[LIDOVE NOVINY] What are the reasons for the deterioration of relations between Moscow and Groznyy, in your opinion?

[Dudayev] The campaign waged by the Russian mass media against us has lasted for three years now. We serve as an experimental training ground for actions that will be organized all over the Russian Federation.

[LIDOVE NOVINY] What purpose could these actions have?

[Dudayev] The current Russian leadership knows about its own illegitimacy, and therefore strives to cling to power by all and any means. Certain political forces have only one goal—to remove President Yeltsin. There are four candidates striving for the president's chair in Russia—Khasbulatov, Rutskoy, Filatov, and Chernomyrdin. There is a fight going on among them. They are trying to remove Russian democratic forces that point to all the crimes that took place in the former USSR countries in the last five years.

[LIDOVE NOVINY] What crimes do you have in mind?

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[Dudayev] The extermination of the nations of Central Asia, particularly Tajikistan. Destruction of nations in the Caucasus, Armenia, Azerbaijan, Georgia, Abkhazia, Ossetia, Ingushetiya. The same goes for Moldova and the Dniester region. Now they are trying to bring Crimea under their control, and they are causing problems in the Baltics. All these conflicts are instigated by certain political circles in Moscow. Someone has to bear responsibility for all this.

[LIDOVE NOVINY] Do you want to say that the Kremlin has an interest in these local wars?

[Dudayev] This is not precise. The supreme political leadership in Russia does not control the situation in the country at all, particularly as regards the inception of various conflicts. Every maharajah from the special secret services belonging to some of the political leaders can unleash a small war.

[LIDOVE NOVINY] Why would he do it?

[Dudayev] First, they make profit on the blood of people. By selling arms or dispatching armed units they are acquiring huge means. Moreover, a disrupted country is easier to control.

[LIDOVE NOVINY] Who is now interested in disrupting Chechnya?

[Dudayev] The federal service of the Russian Federation's counterintelligence is not ashamed to publish the fact that it has allocated 1.2 trillion rubles to overthrow the power in Chechnya. These forces have completely isolated Boris Yeltsin, they foist upon him false information, and create a false image of an enemy. We are only a toy in this game. The situation will finally turn against Yeltsin himself. We are not far from the moment when the red-brown forces seize power in Russia.

[LIDOVE NOVINY] Do you think that Russia will dare use force against you?

[Dudayev] Experience of 300 years of our history has shown that when Russia used force against us, Ichkeria [historical name for Chechnya], it had always been doomed to failure. If they strike against us, they can expect a terrible counter-attack. Force cannot solve anything today. However, the danger that you are talking about exists. Mainly because every politician in Russia is building his own power structures today. When the cake will be divided in Russia the next time, everyone will use his armed clan to his own benefit, and the strongest one will win. We do not have to go far for an example: the White House [seat of Russian parliament] was shot to pieces in October 1993. The leaders of parliament had built their own armed forces, deployed soldiers in offices, and tried to overthrow Yeltsin. Finally, the one who was the strongest at the moment had won—the parliament building was blown to pieces from heavy caliber artillery. The provocateurs failed. But after this operation many Russian politicians believe that they can shoot to pieces any government as there is no law in Russia.

On the other hand, there have been conflicts between us and Russia for several centuries—once it was an armed conflict, the next time a political one. At times, this conflict assumed the character of complete annihilation of the Chechen nation. (Evacuation in 1940's, editor's note). I would compare our relations to a bleeding wound that the doctors are unable to heal. Sometimes the wound heals slightly by itself, the next time it opens again. Like today, when Russia is threatening once again to use force.

I was given a small tiger recently. I am trying to bring him up. He tries various tricks on me. He is savage, grabs me by my hands, feet.... When I am tired of him, when I feel pain, I let him clearly know. He takes a nap, and then begins again. He bites, tears things.... Russia, like this ill-mannered small tiger, is constantly testing what they can do to us.

[LIDOVE NOVINY] But you have adversaries in Chechnya itself. Even without Russia's intervention, an armed conflict could break out....

[Dudayev] I am indebted to Russian journalists for the situation they have created by their slanders. They have united the Chechen people in a way no ideology would be able to.

[LIDOVE NOVINY] You claim that the government in Russia is illegitimate. Is your leadership legitimate?

[Dudayev] The Chechen Republic Ichkeria is the only state formation on the territory of the former USSR that has undergone infernal tests and was able, in conformity with international law and international standards, to establish an independent state. Russia cannot forgive us for that. Observers from 32 countries of the world monitored the elections that took place here. All of them confirmed that during the elections no pressure, armed or political, was applied. After the elections we adopted a constitution that was drafted on the basis of international law—we had reviewed a number of documents of other democratic countries from the beginning to the end. This is why we categorically reject the accusation of having forcibly seized power.

[LIDOVE NOVINY] The Chechen opposition, however, accuses you of forcibly staying in power, of having introduced an autocratic regime....

[Dudayev] Those temporary opposition committees and provisional governments represent several dozen people living mostly in Moscow. Japanese journalists asked me recently what I thought about the fact that the leader of the opposition, Avturkhanov, had declared himself president of Chechnya. I replied: What would you think if, all of a sudden, somebody declared himself the Japanese emperor? A psychiatrist should deal with such declarations.

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[LIDOVE NOVINY] Is it true that you have begun cooperating with the Russian opposition, for example with former KGB General Sterligov?

[Dudayev] I would not speak about contacts with the Russian opposition, but about contacts with people who may have a radical program, but who reject any violent methods and want to solve all problems by diplomatic means.

[LIDOVE NOVINY] Should not an international organization intervene in the dispute between Russia and the nations of Northern Caucasus? Would you not welcome, for example, the presence of UN representatives at the talks?

[Dudayev] I do not rely on the international community any longer. They cannot fail to see the evil Russia is committing in our country, and not only in our country. We, the Chechens, will endure in the end. We are used to many things, we have been living in the same situation for 300 years. But look what is happening to the people, with the participation of the Russian Army, in Central Asia, particularly in Tajikistan, and also here in the Caucasus. This is an extermination of nations, and all this is being done with unprecedented cruelty, with the utilization of armed forces and the most modern weapons against defenseless people. Does the West not see it? When someone does harm to a cat in the West, parliamentary deputies fight over the matter. But when tens of thousands of people are being killed here, Western parliamentary deputies are calmly watching and believe that this is not their business. Well, some Chechens are involved, savage Caucasians, or Asians—that is what you think. You believe that this will not affect you. It will. They have not finished yet with you.

[LIDOVE NOVINY] Nevertheless, supervision by international organizations would ensure, at the very least, that the world public is informed about the situation....

[Dudayev] What purpose would it serve? Look what they have done to Georgia. The whole world saw the Georgian nation making efforts to establish democracy. The Georgians elected their own government and president. Georgia was recognized by 29 countries of the world; of this, by three permanent members of the UN Security Council. Then everyone stood idly by and watched the presidential palace in Georgia being blown to pieces. Why do we have an organization such as the UN if it is not responsible for anything? As long as the world does not understand that international organizations, including the UN, must be rebuilt, I will not rely on their help. When I look at the former Yugoslavia, I can see that the UN is unable to solve anything today. It only rubs salt into the wounds. Everyone is protecting his own interests there—Russia, the United States, Germany, France, Britain....

[LIDOVE NOVINY] Russia is building its own peacekeeping forces. Can they play a positive role in protecting human rights, in your opinion?

[Dudayev] Oh, my God! You are defiling the term human rights. It is a sin when Russia begins to speak about the protection of human rights. When Russian deputies were shown a documentary film—made not by Chechens, but by progressive Russian cameramen—where it was clearly to be seen what the so-called Russian peacekeeping army was doing in Ingushetiya and Northern Ossetia, they did not even bat an eyelid. They were not struck at all by the crimes Russian soldiers are committing against civilians. One could be driven mad by this, but they did not even bat an eyelid.

[LIDOVE NOVINY] Your adversaries are on Russian Television almost every day. Why are you not making greater use of the world press, for instance, to defend yourself?

[Dudayev] One hour ago I received a phone call from Philadelphia. They, too, swallowed this fabrication of Russian journalists (the campaign of Russian mass media against Chechnya as a haven for terrorists and criminals—editor's note) and take over the news Russia is releasing. One of my ministers told me a while ago: Should you not speak to the world mass media and truthfully explain the situation? I said: No, no way. Let them cram the heads of people with as much baloney as they like. On my part, it would be a fight against windmills if I wanted to stop this flood of lies and slanders. If I were constantly to react to it, I would not be able to do anything else. If a great power such as Russia is purposefully preoccupied with slandering such a small country, it would be foolish of me to start refuting all that. The wise people in the world will understand what the real situation is.

[LIDOVE NOVINY] Despite the fact that you do not believe in the help of international organizations, you admit that you are too small a country to be able to defend yourselves alone. Is there any possibility for small countries to be protected?

[Dudayev] In my opinion, the United States should bear the largest share of responsibility for peace in the world. We pinned great hopes on the United States. However, the United States of today is not the United States of President Reagan. At that time, the United States was really a hope for us, a light at the end of the tunnel. Reagan and Gorbachev were two great world politicians. They found a way to change the old totalitarian world into a democratic society. They found a way to one another and to democratic legal relations between the two great powers. The United States, which has found itself in a totally different situation after the disintegration of the USSR, should have become the guarantor of democracy and law all over the world. Instead, it is again defending its utilitarian interests in Yugoslavia, as well as in Iraq, Africa, Somalia, and Rwanda. I have come to the conclusion that each and every nation should know how to defend itself. It is hopeless to wait for help from others. If we go the right way, higher justice will help us. If we go the wrong way, we will perish.

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[LIDOVE NOVINY] You have issued a warrant for your opponents' arrest and demand that Russia extradite them to you. What will happen to them after they are extradited to Chechnya?

[Dudayev] Avturkhanov will be handed over to the court, which will decide which section of the law applies to his case. What else could we do with him? In our constitution it is clearly stated that the guilt of anyone is to be decided by court. No Dudayev, no minister, but the court must decide. As regards Avturkhanov, he will not only be tried before court for what he has done lately (as chairman of the Provisional Council he declared that he assumed power in Chechnya—editor's note). Even in Iraq he had committed the offense of having armed himself illegally—by the way, he had been arrested there. In the end, they let him go. He is being suspected of one terrorist act and other criminal acts. He is the sort of democrat that Russia is supporting today.

Chechens respect strict laws that are based on our traditions. Blood is usually paid for by blood. Not many criminals are able to hide in Chechnya. If someone does something, if he kills someone, he cannot hide from the Chechens, no matter where he escapes. This is our old law. Of course, if he is taken to the court, he will be protected against vendetta, and will receive a sentence that he deserves according to the laws of our country. But you have to realize that the people whose family members died by Avturkhanov's hand will try to settle accounts with him according to our old traditions, and apply the vendetta on him. According to our customs, the right is on their side.

[LIDOVE NOVINY] Is there also a possibility that you could reach agreement with Russian representatives in a peaceful way?

[Dudayev] I hope, but it is difficult to deal with Russia. Even Truman used to say that in the world there were no standards of diplomacy, law, or ethics according to which it would be possible to deal with Russia. Russia only understands the language of brute physical force. This is Russia's characteristic, and nothing at all has changed about it until today—to the detriment of Russia itself. Russia is led by the nation's apostates.

[LIDOVE NOVINY] You have a lot of enemies in Moscow. Despite this, you are determined to go there. Are you afraid?

[Dudayev] What should I be afraid of? Death is more natural than life. We have to die, but we did not have to be born.

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International Affairs

Udovenko Favors Normalizing Relations With Russia

LD2508193894 Moscow INTERFAX in English 1806 GMT 25 Aug 94

[Text] Hennadiy Udovenko, who was appointed acting foreign minister by Ukraine's president Thursday, is in favor of the unconditional normalization of relations with Russia. "I believe this is the course pursued by President Leonid Kuchma and the parliament. Earlier the situation in our relations was abnormal," he declared in an exclusive interview with Interfax-Ukraine.

At the same time he said that "Russia should understand that we must be partners, there should be no relations as between "an elder" and "a younger" when we are told what to do."

The first question which Udovenko put on entering the Cabinet of Ministers concerned the state of the agreement on friendship and cooperation with Russia. "This is a pressing issue for me today. I repeat that we should maintain good neighborly relations," he said.

"Russia should understand that democratic and economically mighty Ukraine will do nothing bad to Russia," Udovenko continued. "We must be masters in our own house. I think that I express the president's point of view."

Udovenko's interview with be published in Interfax Diplomatic Panorama dated August 26.

Regular Kiev-Budapest Air Service Started

MM2608085194 Moscow PRAVDA in Russian 26 Aug 94 p 1

[Report from roundup of ITAR-TASS, POSTFACTUM, and PRAVDA reports: "Ukrainian Airmen's Routes"]

[Text] A TU-134 flight began regular air communication between Kiev and Budapest. The bridge between the neighboring states' capitals was erected by the "Ukraine Airlines" company. This is the 27th route started up by Ukrainian airmen to the capitals of European, American, and Asian countries.

National Affairs

Kuchma Replaces Radetskiy With Shmarov

LD2608083594 Moscow ITAR-TASS World Service in Russian 0821 GMT 26 Aug 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 26 Aug—By decree of the country's president, Ukraine's Vice Premier Valeriy Shmarov has been appointed acting defense Minister.

Ukrainian President Leonid Kuchma has released Defense Minister Vitaliy Radetskiy from his duties in connection with his move to other work.

Kuchma Makes New Presidential Appointments

AU2508123894 Kiev URYADOVYY KURYER in Ukrainian 23 Aug 94 p 1

["Appointments at the Ukrainian Presidential Administration"]

[Text] By Ukrainian presidential directives, the following appointments have been made:

RYZHOV, Volodymyr Leonidovych—assistant to the Ukrainian president;

TYMCHENKO, Ivan Artemovych—head of the Juridical Administration;

NOVIKOV, Oleksandr Vasylyovych—head of the Ukrainian Presidential Supervision Service.

Kuchma Tours Oblast, Discusses Borders, Harvest

AU2508134794 Kiev HOLOS UKRAYINY in Ukrainian 23 Aug 94 p 1

[Unattributed report: "The Country Will Have Enough Bread"]

[Text] On 20 August, Ukrainian President Leonid Kuchma made a working trip to Chernihiv Oblast. He made his first stop at the Ukrainian-Belarusian "Novi Yarylovychi" border crossing point. With his own eyes, the president saw endless lines of automobiles near customs points. People there suffer for days waiting to be allowed to cross the border.

"This is outrageous," said Leonid Kuchma. "Of course, sovereign states must have their borders, but they should under no circumstances be used for torturing people. Building such borders does nobody any good."

The Ukrainian president had serious and informal conversations with many of the oblast's labor collectives. In the course of his trip, Leonid Kuchma had numerous unscheduled meetings with people in the streets of towns and villages and at corn fields.

Speaking about prospects for this year's harvest, the Ukrainian president pointed out that, despite everything, Ukraine will have bread. This time, less wheat than before has been gathered, but this shortage may and will be compensated for by barley.

President Kuchma Departs for Crimean Vacation

LD2508142794 Moscow INTERFAX in English 1342 GMT 25 Aug 94

["INTERFAX-UKRAINE" news item]

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[Text] Ukrainian President Leonid Kuchma left for Crimea Thursday for a vacation, officials in his headquarters told Interfax-Ukraine.

Kuchma is expected to resume his duties in early September.

President Kuchma on Domestic, Foreign Policies

WS2408143094 Kiev UKRAYINA MOLODA in Ukrainian 19 Aug 94 pp 4, 5

["Exclusive" interview with Ukrainian President Leonid Kuchma by Larysa Ostrolutska; place and date not given: "The Man Who Sets the Rules of the Game"]

[Text] [Ostrolutska] First of all, I want to congratulate you on the nationwide election. I would like to recall that while describing your meeting with UKRAYINA MOLODA reporters in December 1993, following your resignation from the post of prime minister, our newspaper wrote: "Who has visited us? A future people's deputy? Probably. A future prime minister or president? Why guess? Kuchma remains Kuchma." The electorate believed in the image of Kuchma as a straight and open man who wants changes and is ready for them. Of course, we would not like to be disappointed by Ukraine's further steps. We want Ukraine's inevitable reform to bring prosperity to our state. What were your thoughts, hopes, and feelings while assuming the high post? Even at the emotional level?

[Kuchma] I would also like to convey my greetings and words of gratitude to UKRAYINA MOLODA readers and editorial staff. You have never patted me on the back, even during the election campaign. However, I felt your support for the specific steps that I took, and this is very important.

My emotions during and after the election marathon were mixed. Of course, I knew what I was facing. I knew Ukraine's economic situation from real life rather than newspaper articles. Being the president of the Ukrainian Union of Industrialists and Entrepreneurs I dealt with it on a daily basis. I saw the scale of the economic decline. The raw material industries were more or less successfully subsidized by the state; metallurgy and chemistry managed to keep afloat due to export revenues. The situation in machine building and light industries, however, was catastrophic. The government's decision aggravated the crisis.

I also realized the political situation. The furious campaign waged against me in the press by the former leadership had nothing in common with reality and was inhuman not only with regard to me; it damaged the entire nation. How can we assess the hammering of the following scenario into people's heads: Kravchuk amounts to peace; Kuchma amounts to war? Which political dictionaries have definitions for these kinds of actions?

It is natural that I was haunted by doubts: Was I not overestimating my strength? Was it worth continuing? However, I realized that I had no other choice. I did not volunteer to carry this burden for my own sake. Giving it up would do me no credit.

[Ostrolutska] Still, when you found yourself at the summit of power, and when the actual state of things was finally unveiled, did you find anything new, unexpected, or unknown?

[Kuchma] No, I only had a chance to look more closely at how the administration, particularly the government, had used their time.

[Ostrolutska] To put it mildly, they did not use it for the benefit of the state.

[Kuchma] I am especially aggrieved at the fact that in the entire government which—as I have always said, was not a team of my supporters, since virtually none of them resigned with me—no counterbalance was formed to put an end to the reign of lawlessness. I do not understand how cabinet members could look passively on while this was happening. Of course, there were some statements and protests, but nobody spoke loudly about those things or even slammed a door. Fear and envy—these things we have inherited from the past—although the office of minister or deputy premier is not such a precious thing.

[Ostrolutska] The press has carried reports on the establishment of special groups for investigating embezzlement in Ukraine's administrative bodies. What you have just said is probably something they should look into.

[Kuchma] We are acting in accordance with the current laws. The forming, in extraordinary cases, of groups headed by prosecutors and comprising employees of the Security Service, Interior Ministry, and financial bodies is a commonplace thing throughout the world. We have not invented anything new. We simply initiated this process. If anyone says that Kuchma has invented something.... We simply started working and moved from declarations to actions.

[Ostrolutska] Can we say for sure that from now on, the degree of an official's personal responsibility will depend on his specific deeds rather than his official status? We fought evil phenomena before, but small fish were usually caught in the nets.

[Kuchma] Yes, the main thing is not to stoop to this. So far, all declared attempts to fight crime have turned into campaigns. We want something different. Judging by the resistance to our efforts and by the forces involved in fighting the law and the law enforcement bodies, the fight is not going to be easy.

[Ostrolutska] However, you probably know that the edict on fighting organized crime has met with an ambiguous social reaction....

[Kuchma] The reaction by those people who do not want any changes or do not know the actual state of things,

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was ambiguous. It is sad when lawyers, instead of drafting proposals regarding the mechanism for fighting organized crime, compete to obstruct the presidential edict. Ordinary people—workers, farmers, people from towns and villages—perceive the edict as a necessity. People repeated this to me over and over again, when I was touring Ukraine.

Tell me: Which provision of the presidential edict is illegal? The one saying that a suspect can be detained for up to 30 days? I understand that various loopholes may be used in the provinces; orchestrated cases can be used to discredit our actions. Every such case should be assessed, especially in the press or television. However, we cannot stop working. Incidentally, the same legal norm of 30 days has been approved by the Supreme Council.

Here is an example: A gang of 30 people with a record of many murders has been discovered in one of the oblasts. The prosecutor, however, did not order their arrest, because the law passed by the Supreme Council had not yet been confirmed by the prosecution bodies and thus, in the prosecutor's opinion, the edict was not valid. Whom did the prosecutor aid and abet in this case?

[Ostrolutska] Not all the people liked your two subsequent edicts establishing a vertical executive structure, although your team—both the head of administration and the spokesman—explained to reporters that the Supreme Council leadership had been presented with the texts of the edicts and did not voice any objections. I presume these objections will be voiced in the future.

[Kuchma] I would not claim that the sky above us is completely cloudless, especially when speaking about relations with the legislature. However, neither am I going to depict our relations as tragic. Just as in any dispute, wisdom and common sense should prevail.

The former Supreme Council has ruined the vertical executive structure with its laws on local councils. Had it not been for the presidential edict, the heads of local councils would have been completely stripped of their powers. We have to harvest, plow, sow, and resolve the urgent issues of industry. Somebody has to resolve these issues and to be personally responsible for the results.

We are building a democratic society in which, just as in any democracy, three branches of power have to exist—legislative, executive, and judicial. Law is the top priority; the law is above all else. Let the Supreme Council make laws. Everybody will be preoccupied with his own business and responsible for it. We will then avoid a situation in which everybody wants to rule, but nobody is responsible for the results. Let us look at how the rest of the world lives, and adapt those rules to meet our needs, taking into account our peculiarities. I am ready to cooperate. I am open to all constructive ideas. I have said this a hundred times, and I am going to say it again: No matter what it costs me, we will have a vertical executive structure, because without it we have no future.

[Ostrolutska] Do you believe that you will reach understanding with the Supreme Council on this issue?

[Kuchma] I positively believe that the legislature must do this. People are sick and tired of living without someone in power.

[Ostrolutska] It is interesting that local leaders—"governors" and "mayors"—did not oppose the idea of the vertical presidential....

[Kuchma] Exactly. I am not the only initiator of this idea. It was also proposed by local council chairmen. The first time they spoke about being left without administrative levers was at a conference in Kiev, immediately following my inauguration. There had been cases when council chairmen passed resolutions, a protest was then entered, and the court proclaimed the resolutions invalid saying: You have no right to individually make such decisions—you should convene a session and discuss them. Is this not absurd? I supported the initiative of the local administrators, being aware of the deadlock in which we have found ourselves. We should talk about our daily bread and not argue who has the greater rights.

[Ostrolutska] The ambiguities that have their effect on the current situation must be caused by the old Constitution, which is covered with patches but nonetheless continues to function. The Constitution proclaims collective rule and collective responsibility. Many people like that. However, so many things have changed in both Ukraine and the world since Brezhnev's constitution was passed. Should we not stop mending this "patched-up coat" and pass a new constitution?

[Kuchma] We are dealing seriously with this issue. Suggestions voiced in the Supreme Council do not satisfy lawyers specializing in constitutional law. According to those suggestions, the Supreme Council would assume the plenitude of power. While forming the Constitutional Commission, the president would be empowered to nominate two people, while the rest would be nominated by the legislature. Why should this right be granted to the Supreme Council leadership, commissions, and Secretariat?

In my opinion, a certain continuity must be observed in the lawmaking process, regardless of the Supreme Council's composition. Former deputies did a lot of useful things and not everything should be rejected. Otherwise, every legislature would believe that it has a duty to start from scratch.

It is time we determined our stance. Perhaps, instead of speeding up events we should look at how these things are handled in the neighboring states. The Small Constitution has been adopted in Poland. Should we do the same: Outline the basic things and then work on drafting a new full-fledged constitution? Or perhaps we should pass the law "On Power in Ukraine?" We should not make hasty decisions though, particularly since the current Constitutional Commission is quite motley.

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Regions are not involved in the drafting of the new constitution. This is far from correct at this stage, when the significance of regions continues to grow.

[Ostrolutska] Are you not contradicting yourself? At the first news conferences after the inauguration you spoke about the need to speed up the passing of the new constitution. Are urgent, day-to-day issues now taking precedence?

[Kuchma] I intend to initiate the constitutional process. In a couple of days, I will submit a motion to the Supreme Council requesting that it resume its work in this field. There is no doubt that we need a constitution. There are thousands of discrepancies in the existing Constitution which run counter to our realities. If any one suggests that a Constitutional Court be established, the question is—according to which constitution will this court operate, which God will it serve? Depending on who puts more pressure on it and which faction dominates in parliament?

[Ostrolutska] Thus you believe that the forming of the Constitutional Court should be preceded by the passing of a new constitution?

[Kuchma] Yes, definitely.

[Ostrolutska] Mr. President, failure to promptly pass long-promised economic edicts is another example of reality influencing intentions. We all know that the passing of those edicts is being postponed. There must be opposition to them, primarily in the Cabinet of Ministers. The edicts were to have been passed on 5 August, but then there was talk about more "coordination." Could you explain what is going on?

[Kuchma] I would like to emphasize that those are fundamental and not declarative documents. That is why we would like to avoid the mistakes that we used to make before, when we adopted economically unsubstantiated and unbalanced decrees. This time, I would like everything to be thoroughly analyzed.

However, the fact remains, and this surprises me—why are the Cabinet of Ministers' economic services lingering with their recommendations? These issues are not new to them. Two Cabinet sessions were held back in January-February 1994 at the initiative of the Ukrainian Industrialists and Entrepreneurs Union. They were chaired by Leonid Kravchuk and addressed these issues—the annulment of the fixed [currency exchange] rate, tax policy, repayment of mutual debts by promissory notes, and so on.... We appointed officials.... How can they claim today that these issues are new to them?

[Ostrolutska] What arguments are used by your opponents, particularly [Prime Minister] Vitaliy Masol who advocates a fixed rate?

[Kuchma] No, he has never advocated it. There are certain things that demand coordination. For example, should we keep the tendering committee or start selling hard currency at the currency exchange? We must reach an accord. As you can see, we are gradually freeing the exchange rate. I have requested that calculations be made as to how this is going to effect prices.

[Ostrolutska] Have those calculations been made?

[Kuchma] Yes. This is not going to cause an increase in prices. Yet, we should be aware that hard currency exchange rates cannot be completely freed. The world's leading economists agree with this. Every country must have a hard currency reserve to regulate exchange rates not on paper but by bank "injections." This is especially important for countries such as Ukraine, which have a negative balance of payments, where demand is much higher than supply. We are cooperating with the IMF and the Soros Fund in this regard. Our opinions are in agreement: Ukraine must have a stabilization fund, at least in the amount promised by the United States at the beginning of 1994—that is $700 million. The Baltic states used that method. They were first criticized and then supported. Miracles do not happen, and if someone's pockets are empty....

[Ostrolutska] How about taxes? Do you still support a significant reduction in this regard?

[Kuchma] There will be a profit tax; this has been coordinated with everyone. The tax "burden" will become less heavy. We are currently drafting tax and budget concepts.

[Ostrolutska] Thus, the edict on hard currency regulation is the only bone of contention?

[Kuchma] Yes, in general it is, although exchange rates, taxes, and promissory notes are transitional stages. We must initiate structural reshaping—single out competitive enterprises, those which can sell their products, and subsidize them. Individual conclusions should be made regarding the future of the remaining enterprises. There are enterprises which work for their own needs and eat up everything they earn. We will have to close down certain plants and sell others at auctions. There is no escape from this. Our tragedy lies in the fact that we possess complete cycles for manufacturing only 30 percent of products. Ukraine used to be a large workshop that produced subassemblies for Russia and other republics. The Russians have given up manufacturing many products—they are curbing the production of some and have launched the production of others. Ukraine, too, no longer needs the former volumes of production. Structural reshaping is a difficult road. However, I requested that the Cabinet of Ministers initiate this process back in my days as prime minister.

The worst thing in our situation is to be dormant. We continue to die slowly. If we do not make resolute steps at this point, a year or five years from now we will still be fighting the same problems.

It is time we ventured to make the kind of changes that would be dramatic for society. To do so, we must reach general accord and understanding.

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[Ostrolutska] How can we reach that?

[Kuchma] I am thoroughly preparing a speech for the Supreme Council session. I intend to suggest my vision of the ground that we have to cover. If lawmakers disagree, they should suggest an alternative. I personally believe, however, that there is no alternative.

[Ostrolutska] What if the Supreme Council disagrees?

[Kuchma] This will probably depend on how efficiently I try to persuade them.

[Ostrolutska] Excuse me, but you must have envisioned what you would do when no arguments would be of help.

[Kuchma] In that case there would be two solutions—either the Supreme Council would assume entire responsibility....

[Ostrolutska] That would not be the best solution for the state.

[Kuchma] ....or I would use the method of persuasion. There is no other way. I know that rumors are being spread among lawmakers: Kuchma is going to dissolve the parliament. This is utter nonsense. I do not understand why some people—deputies or reporters—are building up tension and hounding others.

[Ostrolutska] Your main lever is the Cabinet of Ministers. The prime minister could be referred to as your right hand. Does Vitaliy Masol entirely share your views, at least with regard to basic things? Can you, through the government, introduce changes that would be painful for society?

[Kuchma] I have not the slightest doubt that Vitaliy Masol is a highly skilled professional in the field of management, and I would be happy if we worked as one team. Managing the economy is extremely difficult these days. Claims that the world has overcome the crisis solely by market methods are false. At the initial stage, transition to the market was carried out by state regulation. Look at Germany, for example.

[Ostrolutska] Why is the office of vice minister for economic issues still vacant? Are there too many candidates or, on the contrary, are there no worthy prospects?

[Kuchma] Perhaps you remember that Vitaliy Masol once undertook to resolve this issue. Still, I believe that he has other things to attend to in these hectic days. We will make a decision.

[Ostrolutska] Will the new vice premier be an advocate of the market system?

[Kuchma] Undoubtedly, yes. There is no other choice.

[Ostrolutska] Will that be one of your colleagues from the former Cabinet of Ministers?

[Kuchma] Probably. Most probably.

[Ostrolutska] A hundred days is believed to be the period after which a president can be criticized. What would you like to accomplish in these 100 days to feel more secure?

[Kuchma] I am being criticized now, although the 100 days are not yet over. Speaking in general, I would like people to have confidence in their future and in Ukraine becoming really young. [reference to the name of paper UKRAYINA MOLODA, meaning "Young Ukraine"] We should purify ourselves and become reborn. Although this will be a lengthy process, I hope that the shoots of new life will appear soon.

[Ostrolutska] You entered politics as a pragmatist, a man who wants to put our state back on its feet, so to speak, from the inside. That implies that Ukraine will gain prestige in the world only if it becomes strong and prosperous without anybody's assistance. This is how I understand your motto. That is why we dedicated our conversation primarily to domestic policy. However, in your inauguration speech, you emphasized that Ukraine should also have a long-range foreign strategy. What is the essence of this strategy?

[Kuchma] Incidentally, certain politicians have predicted that the world will turn away from Kuchma. As you can see, this has not happened and, quite on the contrary, we witness the stepping up of diplomatic activities.

I really want Ukraine to have a clear and explicit foreign policy orientation, so that we do not lurch from side to side depending on which visits our officials make. I am also sure that priority should be given to CIS members. Yes, we do depend on Russia for many things in the economic field. This should be taken into account. However, we should bring our economy back on its feet to avoid colonial dependence.

[Ostrolutska] Our national-patriots, though, were alarmed at the new term—Eurasian space—that you used in your inaugural address.

[Kuchma] I would also like the East European and Baltic states—that is, the former members of the Council for Mutual Economic Assistance—to enter this space. As it is, we all have a long way to go before we reach West Europe. At the same time, I would like to cooperate with Japan, South Korea, and Vietnam, where we have strategic interests. And the Persian Gulf states? They have money available. The European states do not have it, but the Asian states do. Central Asia, too, is extremely important for its oil and gold deposits. At one time we received a lot of cooperation offers.

[Ostrolutska] So the slogan is: "To the European Union through the [CIS] Economic Union?"

[Kuchma] Yes. If I am not mistaken, we have been promised that Ukraine's admission to the EU will be discussed in 1997. We must not just twiddle our thumbs until then.

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All speculation about Ukraine heading for the West or the East are artificial. Ukraine is not headed in any direction. Its geographical position is fixed—we are at the East-West junction and should take advantage of this.

[Ostrolutska] Given that we are evidently approaching the [CIS] Economic Union, what form will Ukraine's membership in this body take?

[Kuchma] Whether Ukraine will be a full-fledged or associate member is a political, rather than an economic issue. All the same, nobody will sell us anything at a reduced price. The economic treaty signed by the three states—Ukraine, Belarus, and Russia—envisioned parity of prices for energy resources for all the producers. Thus, Russia was to have increased prices for both foreign and domestic consumers. We could have saved our market.

Now the situation has changed. There are no preferences for any state, but Ukraine's failure to participate in the Economic Union gives grounds to all the other members to reproach us for whimsical behavior and ill-will. Meanwhile, this would not make us more dependent in political terms and would not involve establishing any supranational structures.

Again, as I have already said, it is better to be the one who sets the rules of the game than play by somebody else's rules. What other choice do we have, given that 80 percent of our products are sold on CIS markets?

[Ostrolutska] Active efforts have recently been made to complete the drafting of the treaty on friendship and cooperation with Russia....

[Kuchma] This is another paradox. We have such treaties with all the former USSR republics except Russia.

[Ostrolutska] As we know, certain clauses of the treaty have caused heated debates, particularly the clause on dual citizenship. What do you think about it?

[Kuchma] I am against dual citizenship. It should only be granted as an exception. There is no precedent anywhere in the world of granting dual citizenship to millions of people. The question is: "Which motherland would they serve?"

[Ostrolutska] What can you say about the Black Sea Fleet?

[Kuchma] Its future was set before I arrived. President Kravchuk signed documents on the transfer to Russia. Not all the issues regarding the stationing of the fleet have been resolved. We must view these issues from the perspective of Ukraine's interests. At the same time, the problem must be resolved as soon as possible. Everybody understands that.

[Ostrolutska] Since we have started to speak about "cards," let us dot all the "i's" in the field of Ukraine's nuclear disarmament, particularly the assistance of our partners, which is stipulated by the tripartite declaration.

[Kuchma] We have no problems with Russia. Everything we ship to Russia we get back in the form of fuel for nuclear power plants.

As for U.S. assistance, the situation is also clear: Ukraine has received $6 million out of the promised $350 million. We must step up our diplomatic activities, act as an equal partner, uphold our interests, and call a spade a spade. The world should not think that Ukraine has grabbed the atom bomb with both hands and will not let go.

[Ostrolutska] Did the visit of U.S. Vice President Albert Gore contribute to better mutual understanding?

[Kuchma] Undoubtedly, the very fact that Al Gore came to Ukraine is a demonstration of the interest the United States has in Ukraine. I hope that our long talk about the economy will also produce results.

There is one unresolved issue between Ukraine and the United States—that is the Nuclear Nonproliferation Treaty. We should sign it. Since we signed the tripartite agreement, the rest is a mere formality. We do not possess nuclear arms or specific technologies. What can we proliferate, then? I will request that the Supreme Council finalize this process some time in October. I believe that the legislature will support me. Then we will see whether there will be any changes in Western assistance to Ukraine.

[Ostrolutska] Finally, I would like to ask you a couple of "familiar" questions provided that your retinue, your team can be considered your family. You once reiterated the opinion of Ivan Plushch who said that Leonid Kravchuk's companions corrupted the president and that "the retinue rules the king." Have you managed to select people for your team? Have you found the kind of professionals that you were looking for?

[Kuchma] I am not in a hurry, as before. I had an opportunity to make a certain analysis when I was prime minister and especially after that. People assisted me not because they wanted ministerial portfolios, but because they shared my views. Among them there were a lot of scientists, entrepreneurs, and young people.

[Ostrolutska] Is being a president a profession, a job, or a way of life? What is your schedule?

[Kuchma] I have not changed it. I go to work at 0800 in the morning and come back home at 2300 at night. As for the definition, I believe that it is both a way of life and a state of mind.

[Ostrolutska] How are you going to compensate presidential administration officials for their lower salaries, compared with those of lawmakers?

[Kuchma] I do find it somewhat embarrassing to see that the salaries of my colleagues are one third those of

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people's deputies. How can we make people working in supreme state bodies—the presidential administration, the Supreme Council, or the government—care for the state interests more than personal ones? We have been afflicted with some sort of epidemic: A lot of officials working at various levels go out of their way to snatch as much as possible for their private needs and then, if anything is left over, give the rest to the state or the people. What can we do about this? Perhaps, instead of remaining silent, we should point the finger at such "benefactors." In that case the disease may retreat.

Kuchma Hits 'Romantic' View of Independence

MM2608105694 Moscow PRAVDA in Russian 24 Aug 94 p 2

[Interview with President Leonid Kuchma by Viktor Drozd in Kiev; date not stated: "Leonid Kuchma: 'A State Is There For the People, Not the Other Way Around'"]

[Text] Ukraine is marking the third anniversary of the adoption of the Act on State Independence. What is the general mood of the state today, and which problems is it having to resolve?

[Drozd] Leonid Danilovich, this anniversary may be a suitable juncture for trying to answer those questions which have given rise to a fairly inconsistent reaction: Where are we going, and what kind of society and state are we building?

[Kuchma] That is rather a question for the Supreme Council. Incidentally, as deputy and premier, I did pose this question. I believe that, upon adopting the Constitution, the deputies must provide an answer. It was the easiest thing in the world to "abolish" socialism and Soviet power at the push of a button. The customary phrasing about a rule-of-law, democratic, independent state means little to the individual. Laws must establish the owner of property, they must provide answers as to whose side right is on, whose interests democracy expresses, and whom the state serves: millions or hundreds of families. If the deputies fail to find accord, the people of Ukraine should be asked, at a referendum. I suppose that, by electing councils at all levels and voting in favor of the president's program, the people of Ukraine have expressed support for the building of a people's democratic republic.

This is not just my conviction, it is also the conclusion of the scientists. Through the ballot box, the people confirmed: Ukraine is alive and standing on its own two feet, it is asserting itself in the world. People want to live in their own state. A state which is democratic, and strong. But people declared without reservation: **A state is there for the people, and not the other way around.** A state is worth nothing if it cannot protect its citizens from spiritual and material poverty. Therefore, people want, in a legal, democratic way, to change the situation for the better as quickly as possible. Social injustice oppresses and offends people. They are oppressed and offended when those who have acquired huge profits by iniquitous means run the show. The state is obliged to support those who have devoted their entire life to work, those who defended the Motherland's independence in the Great Patriotic War but now drag out a miserable existence and even depart this life without the final honors. This is the scourge, pain, and shame of the state.

Meanwhile, the years of independence have seen the emergence of many people wanting "to get rich independently," brazenly and with impunity pilfering what was created by the labor of millions. A romantic interpretation of independence brought self-isolation in its wake. As a result, what we got was the unprecedented decline of the economy (almost 50 percent of people of working age have been driven into unemployment), mass impoverishment, a crime free-for-all, and a decline in morals.

[Drozd] A depressing picture....

[Kuchma] There is nothing to smile about here.... But people must know the truth. In the same way as they must know their "heroes," the consequences of whose escapades have now to be sorted out. People must know those who, through their thoughtless usage, sullied and devalued the very concepts of "independence" and the "national idea." Arrogance and complacency, the overestimation of potential, and a domestic and foreign policy based on this—all of this significantly weakened Ukraine's standing and influence in the world community. It pains me that, despite everything that has been done to establish statehood, the world still barely knows Ukraine, its voice sounds weak and unconvincing. Often, people look upon us not as an equal partner, but as a source of raw materials and cheap labor, a supplier of intellectual potential. It is a pity, but this is the harsh reality. For which reason, the need has arisen for a major adjustment of domestic and foreign policy.

[Drozd] What is the thrust of this policy?

[Kuchma] The substance of domestic policy must be the activity of the state, which ought to restore respect to the working individual. A whole range of economic, political, and moral tasks have to be resolved. In foreign policy, Ukraine must establish itself not as a petitioner, and still less as a beggar—rather, it must act as the author of major international initiatives. Both in the CIS and in the world community. A mere footstool in international affairs is not becoming to a state as huge and potentially wealthy as Ukraine. It must have its own seat, its own voice, solid prestige.

[Drozd] But your opponents assert the very same thing.

[Kuchma] They say one thing, and do another. It is useful to trace the correlation between those who speak, and those who have not quite managed to shake off the dust upon returning from distant travels. Moreover, at the expense of the host side. It is wise to ask these "patrons" of independence: Just whose interests are they defending?

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[Drozd] So whose interests do they defend?

[Kuchma] Certainly not those of the people of Ukraine, or the sovereignty of the state. If you analyze exports it is easy to see that Ukraine is increasingly becoming a raw materials appendage of the developed countries. Therefore I would advise those who mean by independence Ukraine's secession from the CIS and a rigid bonding with the West, not to get involved in political skulduggery and not to deceive their own people. You will hear them—tongues of honey, words of milk, bile in their hearts, and deceit in their deeds. It is verbiage—it is no more than a crafty means of establishing their own power, of deciding everything for the people, and of making their fortune at the people's expense. Is it not obvious where this policy has already led? That was why the people withdrew their confidence from the former regime.

[Drozd] Both during the election campaign and even now people have suspected you of having a "hidden agenda"—namely, to drag Ukraine into a new empire; they have suspected that, for the sake of rapprochement with Russia and the other CIS countries, you are allegedly prepared to sacrifice Ukraine's state independence....

[Kuchma] Certain politicians never let up. However, their words are the shadow cast by their own "constructive" deeds. This shadow is laughably short. I have already said that a state is not an icon which has to be worshiped. It is wicked to test the people's patience, and immoral to experiment on them. In my view, if a state is not concerned about people, about morals, customs, and the way of life, then it is not worth a dime.

But for many people in our country, this has become the vital rule: the more often you say "independence" and "brotherhood" [sobornost], especially in markedly literary Ukrainian, the more ardently you abuse Russia, the greater your chances of passing for a patriot of Ukraine. These particular interpreters of statehood are already preparing for mass action in the event of a treaty being signed with Russia, they are talking about self-sacrifice. Admittedly, the "sacrifice" will not be made by those who declare that "for the sake of independence, I am prepared to take to the trenches." Are there any grounds for agitating people at all? I would like to give these leaders some advice: Do not settle your own narrow party and mercenary aims at the expense of the people, or at the expense of peace and calm in Ukraine.

[Drozd] Many people were surprised that in the very first days of your presidency you met with representatives of religious creeds.

[Kuchma] Ukraine needs peace, accord, tolerance, mutual concessions, and hard work like it needs air. Only in this way can we consolidate statehood. The involvement of religious figures and creeds in political conflicts is assuming a dangerous nature. Confrontation disturbs the regions, it destroys families, and it is fraught with the danger of political and social conflicts. The role of certain political forces and their leaders in this iniquitous matter is odious. Nobody should doubt that incitement to interconfessional clashes by the leaders of a number of councils, as well as leaders of sociopolitical organizations and movements, will be resolutely halted. It is sinful to exploit the fact that, as yet, not all religious communities have their own religious buildings.

Meanwhile, disputes over this have embraced hundreds of populated areas. Moreover, politicians and local authorities, instead of inducing accord, inflame passions. This is a case of a display of grief by those who grieve least of all. The state will do everything to settle confrontations without the aid of the criminal code. But clergymen, too, must make every effort in order that peace and accord may reign in society. Everybody must understand that the other road is the road to nowhere. This is a disaster not only for the state, but also for millions of families. I would like to think that the meeting was useful, and that we found mutual understanding. We have the same aim—the happiness and well-being of the people of Ukraine.

[Drozd] One of your first edicts concerned the fight against crime. So is this a great huge danger?

[Kuchma] Everybody knows that a "fifth power" has taken shape in Ukraine—the power of the black economy and the "fat cats," picking the people's pocket. It is not yet all-powerful, but it is already quite strong. It has seeped into the state apparatus, it is influencing the mass media, it is buying politicians, it is penetrating the law enforcement organs. In a word, it is already a force. It is riddled with contradictions, and it does not yet have a unified center, but, nevertheless, it is dangerous to ignore its influence.

[Drozd] Is this not why the edict instantly prompted both approval, and fierce attacks?

[Kuchma] Only those who have something against the law flew into a rage. That makes it all the more important to put an end to the influence of the "fifth power." For the sake of political stability and people's social and spiritual well-being. This is a moral prerequisite for the success of the economic reforms, the revival of culture and morality, the affirmation of human dignity. By this path alone is it possible to preserve our scientific potential, our future—young people—and to spare children from corruption. We are simply obliged to restore faith and hope to those who live and work honestly and who carry the state on their shoulders.

[Drozd] And your edicts on improving the power structure ran up against false rumors too.

[Kuchma] My stance is known: What is needed is a strong executive power. This was supported by council leaders. We are united in this with the premier and the chairman of the Supreme Council, as they confirmed in a joint statement. But there can be no doubt that there

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are and will be forces which will try to drive a wedge between us. But there is no cause for alarm. There is no more important task right now for all the branches of power than to strive for a change for the better in people's lives. So it is essential to forget about personal ambitions. The task ahead is to put a resolute end to irresponsibility, to set up a clear system of economic management, to regenerate the interest of the individual in constructive labor. Everybody who ever yearned for order in the country has a stake in this. Everything else is a snare and a delusion.

[Drozd] Some politicians continue to divide Ukraine into regions, and they speak out strongly against signing a treaty with Russia.

[Kuchma] It would be worth taking a closer look here at who is doing this and for what motives. And to ask: Whose interests are they defending? Ukraine's? I doubt it. Centuries link Ukraine with Russia and the other states of the former Soviet Union. We have a common economy, spiritual and family roots, common mass graves. The need for us to remove barriers erected artificially in the years of independence is being recognized increasingly by the leaders of other CIS countries too. Even those of the Baltic States. Life is stronger than a falsely interpreted autonomy. The elections showed that the majority of Ukraine's population favors vigorous economic and political collaboration with Russia. This trend is confirmed by scientists' conclusions. So to what end, therefore, are we being urged to cut even further down to the bone? So as to turn Ukraine into a colony of the developed countries. For whom are certain politicians acting as "envoys" in this case, and what kind of a future are they preparing for Ukraine? Who will gain from this?

I have already said that it would be unthinkable to turn our back on the developed countries. And they are ready to cooperate with us. But we must enter the world community with an awareness of our own dignity, and not bowed low with ingratiatingly shifty eyes and outstretched hand. So if somebody is prepared grovelingly to sell everything merely to be allowed to hold the hand of the strong of this world, that is his personal tragedy. It is difficult for anybody born a slave to master his own destiny. But those who value what was created and defended by their fathers and grandfathers, who desire the good of the people and happiness for their children and grandchildren—these people are no longer in the mood for lofty rhetoric or rally enthusiasm. There is so much work that empty debates are the bane of our era. It has long been time to get down to things.

Saburov on Sevastopol's Call for Russian Status

LD2608100194 Moscow ITAR-TASS in English 0936 GMT 26 Aug 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow August 26 TASS—"The decision of the Sevastopol municipal council that the city have a Russian status is a mere recommendation", Crimean Vice-Premier Yevgeniy Saburov told ITAR- TASS on Friday. He believes the municipal authorities have thus decided to make public the results of a poll conducted in Sevastopol. Residents of the city were almost unanimously in favour.

Saburov said that while Ukraine and Russia conduct negotiations of the status of the Black Sea Fleet based mostly in Sevastopol, residents of the city decided to remind both sides that their opinion should also be taken into consideration.

Saburov believes Russia and Ukraine cannot ignore the decision of the Sevastopol municipal council and should adequately react to it.

Crimean Official on Voter Discontent With Kuchma

WS2608103994 Kiev KIYEVSKIYE VEDOMOSTI in Russian 20 Aug 94 p 3

[Unattributed report: "So Far, Crimeans Are Dissatisfied With the President"]

[Text] Speaking on Crimean Television on 18 August, Crimean Presidential Spokesman Vyacheslav Lebedev said that so far, President Leonid Kuchma has failed to meet the expectations of Crimean residents. According to Lebedev, President Kuchma has not yet resolved the issues of contention that have come to exist between Kiev and Simferopol over the last couple of months. These include the issues of the Crimean militia, Security Service, and the State Television and Radio Company. The spokesman pointed out that more than 90 percent of votes base for Leonid Kuchma by Crimean electors remain "an advance payment to the newly elected president."

Vyacheslav Lebedev emphasized that the Ukrainian president is "trying to form a system of rigid subordination." In the spokesman's opinion, Leonid Kuchma, instead of "facilitating Sevastopol's integration into Crimea, has taken the city away from us." According to a report by INTERFAX-UKRAINE, Lebedev believes that one way to influence the Ukrainian president is to rescind the moratorium on the referendum concerning the status of Crimea, imposed by the Crimean legislature in the summer of 1992.

Lebedev regards "the problem of forming a system of power" to be the primary problem facing the Crimean leadership. He pointed out that "the lack of power and the imperfection of the president's, legislature's, and government's control levers are completely evident." In this respect Vyacheslav Lebedev pointed out that measures should be taken to "restore order through negotiations with Ukraine."

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Kuchma Overrules Sevastopol on Russian Status

LD2408151394 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 24 Aug 94

[From the "Novosti" newscast]

[Text] Ukrainian President Leonid Kuchma told journalists in Kiev that the Sevastopol city council's decision to regard the city as having Russian legal status does not, unfortunately, help to ease the differences between Ukraine and Russia. He stressed that he respects Sevastopol and its citizens, but any decsion about the city's status must be taken at the state level.

Presidential Official Dismisses Sevastopol Resolution

LD2508130694 Moscow ITAR-TASS in English 1206 GMT 25 Aug 94

[Text] Kiev August 25 TASS—A resolution passed by the Sevastopol city council recognizing the legal status of the city as Russian will have neither legal, nor juridical or political consequences, this statement was made by the chief of the domestic policy department of the Ukrainian president's administration, Pyotr Lelik.

He said that Sevastopol, as the city belonging to the republic of Crimea and, consequently, to Ukraine, belongs and will belong to Ukraine, which was guaranteed by the constitution of the country and confirmed by international acts. As for the stationing of the Black Sea Fleet and Russia's possible leasing the city for this purpose, this decision is in the competence of the presidents of Ukraine and the Russian federation.

Speaking about Moscow's official position in connection with the resolution passed by the Sevastopol city council, Lelik pointed out that it coincides with the Ukrainian one. "The Russian plenipotentiary ambassador to Ukraine, Leonid Smolyakov, and charge d'affairs in the Russian Embassy in Ukraine, Vladislav Necheporenko, declared that resolutions on the status of Sevastopol passed by the former Russian parliament are no longer valid since the former Russian parliament was dissolved.

The Russian ambassador described the resolution of the Sevastopol city council as aimed at creating artificial obstacles to the forthcoming signing of the Russo-Ukrainian treaty, Lelik said.

Rukh Demands Annulment of Sevastopol Decision

LD2508202294 Kiev UNIAN in Ukrainian 1835 GMT 25 Aug 94

[Text] Kiev [no date as received]—In a statement for the press on 25 August about the adoption by the Sevastopol city council of a decision to grant Russian status to the city of Sevastopol, Dmytro Zakharuk, acting chairman of the secretariat of the People's Movement of Ukraine [Rukh], expressed the opinion that "this act can and should be assessed only as an antistate crime, as a threat to peace not only in Ukraine but throughout the world. The people who agreed to this step are criminals because they violated a relevant article of the legislation concerning the encroachment on the state's territorial integrity".

"All the political parties and public organizations which support Ukraine's statehood should have one, and only one, reaction: They should not just confine themselves to condemnation but should demand that the president of Ukraine, as a guarantor of the Constitution and a guarantor of the state's territorial integrity, should rescind this decision. The law enforcement bodies should make legal assessment of the actions by the Sevastopol people's deputies," the statement says.

"The Supreme Council of Ukraine must disband the Sevastopol city council of people's deputies for adopting an anticonstitutional decision endangering Ukraine's territorial integrity and sovereignty.

The fact that the document on the actual dismemberment of Ukraine appeared right after the meeting between Supreme Council Chairman Oleksandr Moroz and Sevastopol City Council Chairman Viktor Semenov, which took place behind closed doors in Sevastopol on 18 August, evokes special anxiety.

Kuchma: Sevastopol Council Outside Legality

LD2608070994 Moscow ITAR-TASS World Service in Russian 0643 GMT 26 Aug 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 26 Aug—"The decision of the Sevastopol City Council's extraordinary session to recognize Sevastopol as having a legal status of a Russian city is outside its legal rights," Ukrainian President Leonid Kuchma, currently on holiday in Crimea, has told correspondents.

The Ukrainian head of state said he intends calling on the deputies of the Sevastopol City Council to reconsider their decision.

Navy Chief Criticizes Sevastopol City Council

LD2408095994 Moscow INTERFAX in English 1806 GMT 25 Aug 94

[Text] Vice Admiral Vladimir Bezkorovaynyy, commander of the Ukrainian Navy, told Interfax-Ukraine Thursday that the decision of Sevastopol council to declare the city as having Russian status acted counter to the policy of detente between Ukraine and Russia and was aimed at "torpedoing" the friendship and cooperation treaty between the two countries.

The council took the decision on August 23.

Bezkorovaynyy said the decision was unlawful and anticonstitutional and was aimed at undermining the stability in the area. He said that if the decision was not

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changed then the whole question of the status of the council might have to be examined as it was violating the Ukrainian constitution.

Moroz Visits Fleet, Comments on Navy Issues, Russian Ties

AU2508134994 Kiev MOLOD UKRAYINY in Ukrainian 23 Aug 94 p 1

[Volodymyr Prytula report from Sevastopol: "In His Childhood, Oleksandr Moroz Sported a Sailor's Cap, But Last Saturday He for the First Time Visited a Warship and Came Out With the Initiative of Reducing Military Confrontation in the Black Sea"]

[Text] It has already become customary for Ukrainian leaders vacationing in the Crimea to visit Sevastopol. Chairman of Ukraine's Supreme Council Oleksandr Moroz did not deviate from that tradition. Last week, he paid two visits to the main base of Ukraine's Naval Forces and of the Black Sea Fleet. Oleksandr Moroz and his family visited the flagship of Ukraine's Naval Forces—the "Hetman Sahaydachnyy" patrol boat—and met with the command of the Ukrainian Fleet and with the personnel of the patrol boat. Later, in his conversation with journalists, Oleksandr Oleksandrovych [Moroz] confessed that the naval uniform had been his childhood dream, that he took turns with a friend to sport a sailor's cap, but that he had never before visited a real warship.

"There are many impressions. I like the order on the ship, the team spirit, and the fact that the commander is at his post. Incidentally, the commander is young and promising," the head of the Ukrainian Parliament said. "That is why I am very favorably impressed by the ship and its crew. Our fleet needs precisely such patrol boats."

Touching upon the question of social protection for servicemen in the Navy, Oleksandr Moroz said that positive signs of stabilization have appeared in the Ukrainian economy. For that reason, he promised that the Supreme Council would consider steps "to equalize the material provision for the Ukrainian and Russian fleets."

As regards the Black Sea Fleet problem, in the opinion of Ukraine's Supreme Council chairman, it must be resolved "proceeding from the formula of the fraternal neighboring state refraining from infringing upon Ukraine's territorial integrity and ensuring flexible and efficient utilization of the joint Black Sea Fleet." In the opinion of O. Moroz, bases of Ukraine's Naval Forces may be situated in those regions where the Black Sea Fleet is stationed. In particular, "in the interests of Ukraine, also in Sevastopol bays," said the chairman of the Ukrainian parliament. However, in order to reduce the tension between the fleets in the Black Sea, Ukraine's Supreme Council chairman promised that, as president of the Parliamentary Assembly for the Black Sea Economic Cooperation, he would declare at the session of the regional organization the concept of reducing military presence in the Black Sea region as our state's initiative.

Answering questions by local journalists, O. Moroz also touched upon the theme of Ukrainian-Russian relations (we will develop and strengthen them), nuclear weapons (Ukraine will get rid of them, but no sooner than this is promoted by those who demand the weapons' elimination), prospects of Ukraine's joining the Nuclear Nonproliferation Treaty (not only Ukraine, but the whole world is not interested in whether to join or not to join that imperfect document) [u tomu, pryyednuvatys chy ne pryyednuvatys do tsyoho nedoskonaloho dokumenta—ne zatsikavlena ne tilky Ukrayina, ale y ves svit], and also prospects for Ukraine joining NATO (we will not be admitted there).

On Saturday [20 August], Oleksandr Oleksandrovych returned to the state dacha [summer house], where he stayed with his family, and on Monday—to Kiev. Now [Ukrainian President] Leonid Danylovych [Kuchma] is expected in the Crimea.

Defense Official on Black Sea Fleet Talks

WS2608110494 Kiev KIYEVSKIYE VEDOMOSTI in Russian 20 Aug 94 pp 1, 2

[Interview with Ukrainian Deputy Defense Minister Ivan Bizhan by Anatoliy Smetanin; place and date not given: "We Have Not Exhausted the Reserves for Resolving the Black Sea Problem"]

[Text] [Smetanin] A Ukrainian delegation has just returned from Moscow, where it held the latest round of negotiations on the future of the Black Sea Fleet. Were there any results?

[Bizhan] We have not arrived at any specific decisions. As you know, there has been a recess in the negotiations caused by certain events, both in our state and abroad. On the other hand, we have a new delegation head, and thus the Moscow meeting was rather used to demonstrate what has already been achieved in this field, as well as to outline our future actions.

Thus, as for specific things, there have been no changes. For example, 164 ships are to be transferred to Ukraine. At the negotiations, the Russians confirmed that they would observe all the previously concluded agreements.

[Smetanin] Has the atmosphere in the negotiations changed after the election of the new president? Did Leonid Kuchma give you any instructions on how to act in Moscow?

[Bizhan] The Ukrainian Government's delegation has been conducting negotiations to, I would say, make the lives of the president and the government easier and help them sign a treaty acceptable for Ukraine. That is why we do have appropriate guidelines and instructions. I think that this is self-evident.

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[Smetanin] In an interview with KIYEVSKIYE VEDOMOSTI, Defense Minister Vitaliy Radetskyy pointed out that the forming of a Crimean naval base is one way to resolve the problem of the fleet.

[Bizhan] This idea exists. The Crimean naval base would include the entire onshore infrastructure, all the facilities at which both the Ukrainian Navy and the Russian share of the Black Sea Fleet would be based.

[Smatanin] Finally, should the Americans be engaged in the current process of negotiations? I would like to hear your personal opinion.

[Bizhan] It is hard to say "yes" or "no." Do you remember the discussion of the issue of nuclear arms? It was so difficult to resolve it on a bilateral basis, although all the conditions existed for a normal solution. Not everything, however, worked out all the time.

Speaking about the Black Sea Fleet, it would be correct to say that we have not yet exhausted the reserves for resolving this problem on a bilateral basis.

Majlis Urges Tatar Chamber in Crimean Parliament

LD2608091994 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 26 Aug 94

[Text] Refat Chubarov, deputy chairman of the Crimean-Tatar People's Majlis, stands for the establishment of a bicameral parliament in the Republic of Crimea. He believes this is the way to ensure genuine representation of Crimean-Tatars to protect their interests. Restoring Crimean-Tatar nationhood on the peninsula at the moment would cause problems, the Majlis leader says, and, therefore, the development of Crimean autonomy, based on Crimean-Tatars' right to self-determination, must adopt a form consistent with the realities of today, suitable both for the Crimean-Tatars and all those living in Crimea.

Republican Party Holds Conference on 'New Circumstances'

WS2508142194 Kiev KIYEVSKIYE VEDOMOSTI in Russian 16 Aug 94 p 2

[Unattributed report: "Delegates to the Ukrainian Republican Party Conference Are Going To Picket the Russian Embassy in Kiev in Protest Against Signing the Intergovernmental Agreement Between Ukraine and Russia"]

[Text] A conference "On the activity of the Ukrainian Republican Party [URP] in new circumstances," opened by [URP Chairman] Mikhaylo Horyn, was held on 13 August. Horyn noted in his speech that during the 1994 elections the URP showed its worth as a well-organized political force that proposed a concrete program for overcoming the crisis in Ukraine, but only nine URP members were elected to parliament. "Such a result of the election campaign cannot be termed a success," the URP chairman summed up.

Touching upon the reasons why the national democratic forces were not in a majority in parliament, Levko Lukyanenko emphasized that the majority of the Ukrainian people have virtually undergone no change during the perestroyka period. They are still influenced not by patriotic forces, but by the chairmen of kolkhozes, chairmen of village councils, and directors of factories.

Levko Lukyanenko emphasized that today the national democrats are facing the issue of radicalization of society, that is, they need to change the society themselves without waiting for somebody to do it for them.

The participants in the conference concluded that it is necessary for the URP to become a "party of struggle." "Members of such a party should not be afraid to approach that boundary, whose crossing in their clash with the enemy may result in death for the ideal of Ukraine's freedom," Levko Lukyanenko stated.

Speaking in the name of Ukraine's people's deputies from the URP, Levko Horochovskyy asserted that they were doing everything possible to prevent attempts by procommunist forces to bring Ukraine back to a Eurasian orientation. He also proposed to use the time left until the next legislative elections for preparing future candidates for Ukraine's people's deputies.

A stormy reaction was triggered by Bohdan Horyn's speech devoted to Ukraine's external security, in which he drew attention to the tendency in Russia's highest circles of power toward transforming the amorphous CIS into a pro-imperial structure. In Bohdan Horyn's opinion, this is a well-considered step by Russia's chauvinistic forces which, by neutralizing the nationalist forces of Belarus, Ukraine, and Kazakhstan, are trying to revive the concept of a global power. Another step in this direction, according to participants in the conference, will be Boris Yeltsin's visit to Kiev to sign the intergovernmental treaty. In this connection, they are going to demand that the text of the treaty be published and will hold a protest rally by picketing the Russian Embassy in Ukraine.

The prospects for unifying the URP with the Democratic Party of Ukraine were also discussed. Asked by a UNIAN correspondent to comment on the possibility that the united party may be headed by Leonid Kravchuk, one participant in the conference said that it would be blasphemy to the memory of those murdered in the gulags.

Democratic Association Issues Statement on 'Propaganda'

AU2508182194 Kiev MOLOD UKRAYINY in Ukrainian 23 Aug 94 p 1

[Undated "Statement by the Democratic Association 'Ukrayina' in Connection With the Intensification of the Anti-Ukrainian Propaganda by Russian Mass Media"]

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[Text] Over the years of its independence, Ukraine's authorities have not ensured the state's information or ideological sovereignty. Ukraine's information area, newspaper market, and book trade have become almost totally saturated with alien radio and television programs, Russian periodicals, and Russian books. They deliberately shape a skeptical attitude to our state's independence among our citizens and quite actively impose upon them the idea that it is impossible to build a free, united, and democratic Ukraine.

Such a situation in Ukraine's ideological sphere is due to the fact that the state leadership does not provide Ukrainian publications with necessary materials, mainly newsprint. The technological level of our television and radio broadcasting studios is at an extremely low level. The radio programs for foreign listeners are beamed by low-power transmitters, the majority of which were used for jamming foreign broadcasts in the times of the USSR. A few months ago, the operation of Radio "Ukrayina" World Service on the medium-wave frequency of 200 meters was stopped altogether, despite the fact that this station used to be a reliable source of trustworthy information on the events in Ukraine and in the world. In the medium-wave range, programs of the Radio "Liberty" Ukrainian board are transmitted, although not on a regular basis, to Kiev. These programs are the only independent source of information for Ukrainian listeners. Programs of the Ukrainian "Liberty" are also transmitted on short-wave, but the power of those transmitters is negligibly low. The duration of programs of that station is not great—three hours a day (together with the repetition in the morning of the recorded evening program—six hours). Meanwhile, the pro-imperial and openly anti-Ukrainian programs of Radio "Liberty" Russian board sound on Ukrainian airwaves around the clock at many frequencies of all short-wave ranges. The power and resolution of that station's signal may, without exaggeration, be compared to that of the Ukrainian Radio first channel.

Recently, in southern regions of Ukraine, programs of the Ukrainian Radio and "Radio Ukrayina" World Service from the Nikolayev Radio-Broadcasting Center were suspended for two weeks on the pretext that the State Television and Radio Company owes the Communications Ministry more than 400 billion karbovantsi. At the same time, the Russian official television company "Ostankino" owes our communication services much greater sums in Russian rubles, and yet nobody has suspended the transmission of their programs in Ukraine.

Out of the 15 private stations operating in Ukraine, only two—one in Kiev and one in Lvov—broadcast in Ukrainian. At the same time, in Ukraine, on medium-wave and in many regions also on ultrashort-wave, almost around the clock, the [Russian] "Mayak" programs are relayed by powerful equipment. The broadcasting in Ukrainian by the private station in Kiev is quite problematic: From time to time, it offers brief information on current events, announcements, and advertisements, but the main part of the time on the air is, in fact, occupied by foreign music. The leaders and announcers of private television channels that function in many oblast and even rayon centers ignore the state language, and their Russian-language programs propagandize poor-quality foreign materials.

The printed and electronic Russian mass media have recently intensified their offensive against Ukraine's ideological sphere. Large numbers of copies of newspapers, which publish materials hostile to Ukrainian independence, are imported from Russia and sold at dumping prices. The "Ostankino" Television Company, in particular the program "Voskresenye" [Sunday], which depreciates the dignity of the Ukrainian people and interferes in Ukraine's internal affairs, deserves official condemnation on the part of corresponding state agencies.

The Democratic Association "Ukrayina" demands that the Ukrainian president, Cabinet of Ministers, and Supreme Council take decisive measures to protect our national dignity. We believe that, in order to ensure our state's informational and ideological development, it is necessary to provide support for the Ukrainian press and book publishing houses, to upgrade technologically the Ukrainian radio and television broadcasting, and to raise the professional quality of their programs.

It is necessary to put an end to the propaganda which undermines trust in the relations between Ukraine and Russia, sows interethnic conflicts, and violates international norms and laws of our state.

Dmytro Pavlychko,

Chairman of the Democratic Association "Ukrayina"

Bank Chairman Outlines Monetary Reform Plans

WS2608084594 Kiev URYADOVVY KURYER in Ukrainian 16 Aug 94 p 5

[Article by Ukrainian National Bank Chairman Viktor Yushchenko: "We Must Stop Escalations of Inflation"]

[Text] National Bank Chairman Viktor Yushchenko delivered a 30-minute report on the bank's activities at the Ukrainian Supreme Council meeting on 29 July 1994. After reviewing the situation of the Ukrainian banking system against the background of economic crisis, he described the problems and development directions of the modern finance and credit policies, currency regulation, and the implementation of monetary reform. In particular, he pointed to increasing discrepancies between the economy's need for finance and credits, the shrinking of Ukraine's currency market, the growing role of cash settlements, etc. At the same time, he noted a number of positive signs in the banking sector which, under certain conditions, could provide a stimulus for Ukraine to emerge from the crisis. We asked the National Bank chairman to expand on issues concerning

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credit and currency policies, problems of currency flow, and the implementation of monetary reform.

The growing inflation in the Ukrainian economy and its plunging deeper into hyperinflation, which could lead to a complete loss of administrative leverage, have made the task of lifting the country's economy out of its crisis a priority. The anti-crisis program adopted by the Ukrainian Supreme Council in December 1993 and the limitation of Ukrainian National Bank [NBU] emissions were the first step in this direction.

Those measures enabled us to escape hyperinflation and to maintain a monthly inflation rate of 6-10 percent. However, deficits in industry budgets and state finances, especially in the state budget, have become particularly acute. This was one of the reasons for the drop in production. Even the partial "softening" of monetary policies in the period from January to May 1994 failed to improve the financial standing of enterprises and reinvigorate their economic activities. This was yet more proof that solutions to the problems of production should be sought not so much in NBU monetary policies as in the integrated use of economic mechanisms regulating the production sphere.

Everyone knows what the consequences of limiting the NBU's issues were, but what would have happened if the above measures had not been taken? One can be positive that the wave of hyperinflation would have paralyzed and completely destroyed our budget system, and production would have stopped anyway because of excessive taxes and the confiscatory and export-crippling system of currency regulation. Broad segments of the population would have been hit hard by the hyperinflation. Enterprises would not have been able to pay wages in the amounts specified by the government. This would doom people to poverty.

The curbing of inflation enabled us to begin economic reforms and activate new economic mechanisms ensuring that enterprises can work normally and people can earn money. Some positive signs are already visible in the social sector. Even though the population does not receive much higher wages than a year ago, the rate of decline in people's real incomes has slowed down considerably (in the first three months of this year, it was 8 percent, compared with 42 percent in the fourth quarter of last year).

This means that only by reducing inflation can we gradually increase the incomes of people and enterprises, provided they are granted more independence in their activities. It is vital not to let inflation grow substantially. For this purpose, we need to continue the currently restrictive policies regarding the money in circulation. In this sphere, the NBU counts on the support of the parliamentary deputies and all the citizens of Ukraine. However, it would not be wise to expect that monetary policies alone can keep prices down. It is impossible to resolve the problem of payments in the national economy and to prevent production from dropping by applying only monetary and credit levers. The past several years have convinced us of that. A whole set of measures is needed, including the improvement of taxation, currency regulation, and pricing policies, as well the reduction of budget expenditures.

We are now witnessing not only a depression in production, but also a halt in the development of the credit market. The risky nature of banking operations, caused by frequent failures to repay credits, and the threat of bankruptcy prevent commercial banks from putting their money into the economy. To attract the economy back to the banks, it is necessary for enterprises to begin work and turn out production. An all-out liberalization of the economy, including full liberalization of prices and foreign trade, should give this a perceptible jolt. A floating hard currency exchange rate is supposed to become the bedrock of the entire economic system.

The NBU's credit policies in 1994 will be directed at:

1. Supporting state priority programs (the agro-industrial complex, conversion, etc.);

2. Creating a mechanism for encouraging commercial banks to extend credits to priority areas of the economy and invest in production;

3. Ensuring equal conditions for all commercial banks in receiving credits (the NBU has already launched credit auctions, whose mechanism allows for better control over the liquidity of commercial banks and determination of the optimum interest rates);

4. Promoting inter-bank trade in credit resources, and introducing day-to-day dealing [dilinh] in credit resources, etc.

Since this April, due to the slower pace of inflation, the average interest rate on credits extended by commercial banks has been steadily decreasing. This change is quite tangible, reaching the level of 215 points (compared with 390 points in March and 175 in late July). To encourage the decline of interest rates on credits from commercial banks, the NBU has been systematically lowering its bank rate. In the past month, the NBU's bank rate was revised four times. This policy already allows us to protect bank deposits at a level higher than inflation—of course, provided that inflation will be kept down. Some enterprises and the population can already feel the advantages accruing from this. The volume of term deposits and deposits of enterprises have grown by 75 percent, and those of the people—by 71 percent, compared with the 27-percent increase of current accounts. In other words, the banking system is gradually becoming an accumulator of resources that can work to benefit the national economy.

We realize the significance of low interest rates for the production sector, but the high level of those rates is a result of high inflation and the depreciation of money

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that took place in the past few years. If the inflation mechanism is not put under control, no low interest rates should be expected.

Recently, a lot has been done to stop the automatic crediting of the budget, that is, the unrestrained issuing of money. Also important was the concentration of all state funds, including the nonbudget ones, in NBU accounts. As of today, there are about 5 trillion karbovantsi [K] of state funds concentrated in those accounts. This is only 38 percent of the overall remaining funds. Such practices, however, will be continued with the consent of the Finance Ministry.

Unfortunately, as in the entire economy, the financial system is experiencing a crisis State budget revenues have decreased abruptly. Budget funds stretch to cover a mere 50-60 percent of expenditures. The state has more and more overdue debts, which has a particularly negative effect on the social sector. Given the economic crisis, the NBU is extending the Finance Ministry credits to cover the seasonal gap between budget incomes and expenditures, as well as to sustain certain industries. In 1993, K22 trillion was paid in such credits. As of 1 July, the state was running a debt of K57 trillion, of which K43 trillion was incurred between January and June. In other words, the process of growth of the state budget deficit is under way, becoming a major cause of inflation in Ukraine. To prevent considerable jumps of inflation, we need to curtail credits for the government and the budget deficit by 10-11 percent.

The devaluation of the national currency is one of the most important factors influencing the Ukrainian economy. Over 1992-1993, the value of our currency against the U.S. dollar dropped almost 40-fold. The main factors affecting this process included the growth of domestic prices (inflation) and the balance of payments deficit (which in 1993 was estimated at $752 million). At the same time, the currency market was affected by the current currency regulation system that allows for the operation of market and official exchange rates. In our opinion, the removal of the fixed rate, which undermines Ukraine's exports and indirectly subsidizes foreign exporters, aggravating the trade and payment deficit, should become a major tool for improving currency regulation. As a rule, this deficit is covered by printing more national currency. In 1994, the National Bank was forced to give several exporters credits that were in fact used to compensate for losses incurred by the fixed rate. The fixed rate has also caused the contraction of Ukraine's currency market. While some $125-145 million was sold at the floating rate on the Ukrainian Inter-Bank Currency Exchange every month in June 1993, this amount decreased to $35 million in February 1994 after the introduction of the fixed rate and the establishment of the Inter-Ministerial Committee for Issues Related to Use of Currency. As we can see, the difference is significant.

Proceeding from the state's interests, the National Bank of Ukraine believes that to stabilize the currency market, inter-bank currency auctions should be reinstated, including those held at the Inter-Bank Currency Exchange. Also, we need to set up an efficient network of regional currency exchange in the next three or four months. To stabilize this, the currency rate has to be regulated by the state while taking into consideration the domestic inflation rate and conditions ensuring efficient exports. This can only be implemented through a sharp devaluation of the national currency. Only after a full-fledged currency market is created can there be a transition to an official rate, which will be determined by supply and demand.

To attract foreign currency to the Ukrainian currency market, we need to expand the instances under which nonresidents can use the karbovantsi earned from selling foreign currencies. To create additional demand for the Ukrainian karbovanets and ensure efficient control of the NBU over the money circulation, the use of foreign currency as a means of payment should be gradually limited and stopped.

Questions of optimizing the cash circulation retain their importance. Over the first six months of 1994, cash circulation increased 2.7 times, jumping 20 percent every month. The size of money issues were largely determined by the imbalance in the population's incomes and expenditures. Over that time, people earned K20 trillion more than they spent, which accounts for 90 percent of all the money issues.

At the same time, one should note the decreasing share of purchases of consumer products compared to all expenditures of the population. Sales of consumer products (retail trade) are dropping at a faster rate than any other production indicators. To accurately estimate the scale at which money is moving into the cash sector, one has to remember the decreasing ratio between cash and the funds deposited in current accounts and the deposits of enterprises and the population (one to three in January 1993 and one to one in July 1994), and recall such factors as tax evasion, instability in the economy and payments, and the lack of incentives for enterprises and the population to keep their money in banks. These things are economic in nature and can be combated by economic methods.

Of course, the NBU is not going to stop at economic methods alone. The system of control performed by commercial banks over the cash circulation and the coordination of this work by the National Bank require improvement. The first instruction has already been issued in Ukraine for organizing the issue operations of the banks. It took a year for NBU experts to devise this instruction because they had to craft and unify a great deal of payment documents, standardize relevant bank processes, etc. By the end of this year, 15 instructions regarding different spheres of banking will be issued.

Speaking about the situation in the banking sphere, one cannot neglect the implementation of monetary reform. The instability in this sphere and the economic crisis in

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Ukraine are increasingly attracting the attention of the power structures. It is widely expected that the introduction of a national currency will resolve all the problems of macroeconomic stabilization. However, just as you cannot overcome an economic crisis using monetary methods, you cannot make the hryvna a valuable monetary unit by merely replacing old banknotes with new ones. This can only be done through economic reforms.

The position of the National Bank on this issue is as follows. Monetary reform in Ukraine can only be carried out when coupled with economic reforms, and when some changes are done before the new currency is introduced. Those changes include, first of all, economic liberalization and tough restrictions being put on budget spending and credits.

The timing and procedures for conducting the monetary reforms is to be established by the Ukrainian Supreme Council; and no one else but the Supreme Council, the National Bank, and the Cabinet of Ministers are the main authors and executors of the program. The National Bank has already put together a draft program for implementing the monetary reforms, which is being constantly revised to react to new conditions and calculations. However, money issues do not stop, and the newly printed money launched into the circulation force us every month to revise the planned exchange rates.

Organizational and technical readiness to launch the hryvna is one of the key conditions for the success of monetary reform. It calls for a sufficient amount of cash: banknotes and coins of all denominations, its presence throughout the entire territory of Ukraine, and the creation of a minimum currency reserve. As for printing the hryvna and minting coins, we are practically all prepared. The resolution of other issues will take some time. Or, they can be resolved after the Ukrainian Supreme Council adopts relevant decisions.

Report Profiles New UNA-UNSO Leader Vitovych

AU2608084994 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 23 Aug 94 p 2

[Report by Borys Sinkevych: "Power in UNA Has Passed From Shukhevych to Vitovych]

[Text] At the tourist center "Huta" in the Berezhanskyy Rayon of Ternopil Oblast, the Ukrainian Nationalist Assembly [UNA] held a two-day session. It is difficult to tell what the leaders of the UNA oblast committees and chief commanders of Ukraine's National Defense [UNSO] from all the regions of the country managed to discuss: The meeting took place behind closed doors and journalists were not admitted. However, the information that did leak out suggests that the session discussed an request by UNA's leader and chief commander Yuriy Shukhevych to be relieved of his duties. Reasons? "Owing to personal circumstances," which may be equivalent to "owing to the state of his health." Shukhevych is already 62 years old, but it is rumored that the main thing is that his eyesight has almost completely failed....

Well, whatever might be the case, the request was granted. Oleh Vitovych was elected as the new UNA leader and chief commander of UNSO. He is 27 years old, was born in Ternopil Oblast, studied at the Polytechnic Institute, but did not complete his studies. He was a member of the Ukrainian Helsinki Union and organized Rukh [Ukraine's People's Movement for Perestroyka] in Lvov Oblast, and was one of the leaders of the Lvov Organization of Ukraine's Union of Independent Youth.... Since 1989, when he became involved in politics, criminal cases were several times initiated against him for "anti-Soviet agitation and propaganda," but he was never imprisoned. For holding unsanctioned rallies, he was called to administrative account 24 times. He was elected as a deputy on the previous Lvov Oblast Council. Since 1991, he has been the commander of the UNSO Lvov Regional Command. This year, he was elected to Ukraine's Supreme Council by the Zhydachiv Electoral District No. 275 in Lvov Oblast. In parliament, he heads the Subcommission for Human Rights.

Smelting Plant for Contaminated Scrap Planned

AU2508135194 Kiev MOLOD UKRAYINY in Ukrainian 23 Aug 94 p 1

[Unattributed report published under the rubric "Fact"]

[Text] A joint Ukrainian-German group, which works in Ukraine within the framework of the program for providing technological assistance to the Commonwealth of Independent States—the TACIS—has elaborated three variants for building a smelting plant at the Chernobyl Atomic Electric Power Plant. More than 100,000 tons of metal objects contaminated with radiation have accumulated in the 30-kilometer zone. They include military and agricultural equipment, barges, boats, and cranes that must be scrapped.

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Belarus

'Decisive' Measures Promised on Energy Debt

MM2508150794 Moscow PRAVDA in Russian 25 Aug 94 p 2

[Unattributed report under the rubric "The Economy and Us": "Belorussia Owes Russia 733 Billion Rubles for Energy Sources"]

[Text] "Belorussia's [Belarus'] debt to Russia for energy sources stands at 733 billion Russian rubles; however, this is the debt of economic entities, and not that of the state," Belorussian [Belarusian] Vice Premier Mikhail Myasnikovich stated at a press conference in Minsk on Monday. He also noted that this sum is equivalent to one-fourth of the republic's GNP for the past six months. "This debt has placed Belorussia's economy on the brink of catastrophe; hence decisive measures will be taken against the debtors within the next few days," the vice premier stressed.

Deputy Premier Wants 'Free Trade Zone'

MM2508114594 Moscow ROSSIYSKAYA GAZETA in Russian 25 Aug 94 First Edition p 2

[ROSSIYSKAYA GAZETA/ITAR-TASS report: "M. Myasnikovich's Explanations"]

[Text] In relations with Russia we should seek the status of a free trade zone with elements of a customs union.

This opinion was voiced by Belorussian [Belarusian] Vice Premier Mikhail Myasnikovich. He explained why the IMF and Belorussia [Belarus] have cooled toward each other somewhat. If Belorussia joins the ruble zone, it will cease to be of any interest to the IMF. The fact that IMF Managing Director Michel Camdessus visited the republic during the first week the president was in power speaks for itself, Mikhail Myasnikovich believes.

Number of Generals To Be Cut by One-Third

MM2508130594 Moscow KRASNAYA ZVEZDA in Russian 25 Aug 94 p 1

[Report by Valeriy Kovalev: "Belorussian Defense Ministry Apparatus Cut by 30 Percent"]

[Text] Cadre changes within the Belorussian [Belarusian] Defense Ministry (we would remind you that the minister and five of his deputies have been relieved of their posts) were the prologue to a major reform of the military department apparatus. In the near future its numbers will be cut by 30 percent.

According to Major General Aleksandr Zakharenko, acting chief of the Defense Ministry Cadre Directorate, there are currently 57 generals and over 1,500 colonels serving in the republic's Army. That is too many for Belorussia's small Armed Forces, Zakharenko stressed. It is planned to cut the number of general's positions by roughly a third.

Publishing House Refuses To Print Debtor Periodicals

WS2608092394 Minsk BELAPAN in English 1700 GMT 25 Aug 94

[Text] The "Belaruskiy Dom Druku" printing-house refused to print some newspapers, including "SVOBODNIYE NOVOSTI" (Free News), "LITERATURA I MASTATSTVA" (Literature and Arts), "KULTURA" (Culture), "KOMSOMOLSKAYA PRAVDA", "PRAVDA" and others. As general director of the printing-house Baris Kutavoy informed a BELAPAN correspondent, the reason of the refusal is very banal—nonpayments for service. As long as the debtors do not settle accounts with "Belaruskiy Dom Druku", the way to readers will be closed for them, B. Kutavoy declared. According to him, the printing of other Belarusian periodicals may be stopped too because a Russian provider has problems in the production of printing plates.

On August 25, the printing-house's list of persistent debtors numbered 10 newspapers.

Lithuanian Envoy Presents Credentials, Comments

WS2608094894 Minsk BELAPAN in English 1700 GMT 25 Aug 94

[Text] As it was reported earlier, on August 25, Ambassador Extraordinary and Plenipotentiary of Lithuania to Belarus Victoras Baublis presented his credentials to President of Belarus Alyaksandr Lukashenka. After the ceremony they had a 20-minute dialogue. Victoras Baublis declared in an interview to a BELAPAN correspondent that he had discussed with the president "the questions they are to settle in the near future". On behalf of President of Lithuania Algirdas Brazauskas he invited A. Lukashenka to visit Lithuania officially. V. Baublis expressed his confidence that the presidents will meet in the nearest future and will sign a bilateral agreement on interstate cooperation in order "to complete the juridical securing of the historically formed neighborly relations between Belarus and Lithuania".

Touching on the problem of the prolonged process of delimitation and demarcation of the Belarusian-Lithuanian frontier V. Baublis pointed out that Lithuania had already completed such processes with the other neighboring states. He expressed confidence that "this point will be settled between Belarus and Lithuania as well and without great problems". In the Lithuanian ambassador's opinion, "while determining the state frontier on the whole we will find a solution for the station of Adutishkis". "I do not see any insurmountable obstacles here", he noted.

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Answering a question about ethnic Lithuanians' standing in Belarus V. Baublis declared: "The Belarusian authorities regard with understanding the needs and demands of Lithuanians living on the territory of Belarus, and the Lithuanian state power bodies return the same". According to the ambassador, that day he was informed of the fact that the executive committee of the Astravets district had resolved to open a Lithuanian primary school and a small Lithuanian pre-school institution at the settlement of Hervyaty. Besides, a cultural and educational centre of ethnic Lithuanians is being built there. "I hold this adorns the traditionally good relations between Belarus and Lithuania and enriches our cultural contacts".

First Kilograms of Gold Extracted

MM2608095794 Moscow PRAVDA in Russian 26 Aug 94 p 2

[Report by Oleg Stepanenko: "How Much Gold Belorussia Needs"]

[Text] Minsk—The first kilograms of Belorussian gold have been extracted near Zaslavl. A recently discovered gold deposit is located here.

A leader of the Belgeo (Belorussian geological service) association has announced that 20 seams have been discovered in the republic with a total stock of over 50 tonnes of gold. One economic scientist has noted that if the gold is used to finance the intensification of the market reforms which are destroying the economy not even the gold reserve of all the former USSR republics will be enough for Belorussia [Belarus].

Moldova

Snegur Confident of Russian Troop Departure

LD2508164394 Moscow Mayak Radio Network in Russian 1400 GMT 25 Aug 94

[Text] Moldovan President Snegur is confident that Russia will meet the obligations it has assumed vis-a-vis agreements reached in the 10th round of Moldavian-Russian negotiations on the withdrawal of Russian military units from Moldova. Under this accord Russia must withdraw the 14th Army from Moldavian territory within three years. Snegur expressed the hope that the problems of inhabited areas on the left bank of the Dniester will also be resolved in that three year period.

Communists Provoke 'Incidents' at Liberation Ceremony

AU2508154694 Chisinau BASAPRESS in English 1900 GMT 24 Aug 94

[Text] Chisinau BASAPRESS, 24/8/1994—This morning, the ceremony of laying of flowers devoted to the 50th anniversary of Moldova's liberation from fascism took place at the Chisinau Military Glory Memorial. President Mircea Snegur, Premier Andrei Sangheli, Deputy Speaker Dumitru Motpan, ministers, representatives of the diplomatic corps and war veterans took part in it. The wreaths had the inscriptions: "To Those Who Died in the Fight Against Fascism From the Government's Behalf, Eternal Glory to the Nation's Heroes. President of Moldova" and "To Those Who Died in the Fight Against Fascism. Moldovan Parliament." According to some preliminary estimates, over 3,000 people attended the activities. A significant number of policemen and special police employees were located near the Memorial to counteract eventual incidents. Communist followers carrying red sickle and hammer flags, among them around ten youngsters with Komsomolist badges, constituted a separate group. Their attempt to join the formal queue was stopped by police which urged them to take away the Soviet flags. They did not submit. Several policemen took with force two flags provoking an incident without significant violence. The communist followers kept a flag which they carried in front of the graves. On their way out,the group forced by the police to hide the red flag, faced a group of 15-20 people crying in Russian "Occupants, Go Home." BASA learned from police officers that the activities were not as violent as it was expected. Near the Memorial, three ambulances were located.

Dniester Aides, Others on 14th Army Departure

MM2508151094 Moscow ROSSIYSKIYE VESTI in Russian 23 Aug 94 p 2

[Feature under the "Opinion" rubric by Feliks Babitskiy, including comments from Aleksandr Karaman, vice president of the Dniester Moldavian Republic, and General Aleksandr Lebed, commander of the Russian 14th Army, and an interview with Lieutenant General Stanislav Galimovich, Dniester Moldavian Republic minister of defense, by unnamed special correspondent; date and place not given—followed by a commentary by Babitskiy: "Lebed's Swan Song. Who Will Weep for Him?"]

[Text]

"Nothing Left to Wait For..."

Having received news agency reports that Moscow and Chisinau have signed an agreement on the withdrawal of the 14th Army from the territory of the Dniester Region, we asked A.A. Karaman, vice president of the Dniester Moldavian Republic [DMR], to comment on this. We were specially interested to know how the DMR leadership reacts to the fact that, along with the Army, its commander, with whom that leadership has—to put it mildly—strained relations, is also leaving. Aleksandr Akimovich said, in particular:

"It is strange that two states are agreeing on the withdrawal of troops from the territory of a third, without

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even asking our opinion on this question. Chisinau's position is not surprising, but it is strange that Russia too does not consider us an equal party to the negotiations, granting us only the right to observe them passively from the side. This is why the DMR delegation walked out of the 19th round of talks, without waiting for it to end. In point of fact, there was nothing more to wait for. Because the agreement has already been signed, and there are not likely to be any more talks. We have not yet seen the signed document, but if we are to believe the mass media again, it stipulates the deadline for the withdrawal of troops pretty clearly—three years from the moment the document was signed. This is being done without taking into account the question of defining the Dniester Region's political status. Nor is it known to whom the departing Army's moveable property and real estate is to be transferred, or on what terms.

"This will provoke a new upsurge in tension. Whole groups of the population are already exhibiting feelings of panic. Many are seriously beginning to think about how to leave for Mother Russia, although no one there is exactly waiting for them. But we all remember well the slogan: 'Suitcase—Station—Russia!' If Russia bows out of its role as a stabilizing force, no one knows how Moldavia [Moldova] will behave. And will those same forces that launched the Dniester war not want to exact revenge? Moreover, it is not only a question of Moldavia here, but of NATO also. After all, Chisinau was the first in the CIS to sign up to the 'Partnership for Peace' program. And that means that NATO could at any moment lend it help in new aggression. You know that we consider the territory on which we live to have been part of Russia since time immemorial, to be, in fact, Russia's western outpost. Our capital was founded by the great Russian military leader Suvorov. But today NATO had only to stamp its foot for Russia to clear out of our territory, from the Baltic—from all its traditional zones of influence and from territories which are of vital important to it.

"As for the commander of the 14th Army, our relations with Gen. Lebed in no way influenced our attitude to Russia and its Army. You know, it is two years now since we adopted the law on the status of Russian Federation troops, recognizing them as the Army of a friendly state. We are honorably discharging all our obligations to the 14th Army. For example, we are continuing to build the 950 apartments that we promised for Russian servicemen. We are continuing to supply water, heating, and electricity. As for Gen. Lebed, we have adopted a law on the Army, not on Lebed, and no cadre questions appertaining to the 14th Army fall within our competence. If someone on your side is minded to see the machinations of Tiraspol in his impending departure and in everything that is happening now concerning the Russian Army, this is a clear overestimation of our political influence."

Specialist's Opinion

Of course, we wanted to find out the opinion of the commander of the 14th Army himself, but Gen. Lebed was on leave at the time, and we were unable to contact him. All the more interesting, then, is his opinion as expressed to our correspondent 21 June this year at the conclusion of the previous—ninth—round of the Russian-Moldavian talks.

"In general, the Army could be withdrawn, given the appropriate monetary funds, four years after the signing of corresponding agreements.

"The fact is that impartial calculations have been made. These show that, even given the most favorable conjunction of circumstances, it will take not less than 45 months to withdraw the munitions alone from here. No one has seriously discussed with Ukraine yet what sort of price it will demand for transit. It is to be expected that it will charge a very high price. After all, one of its railroad branches will be entirely blocked by the transport trains carrying the munitions. And they will be transport trains with 10 cars each, not 49-car trains. And after all, this is dangerous freight. We have still not erased the memory of Arzamas. And the risk increases the cost of transit still more. Suffice it to say that the transportation of just one missile brigade (or rather, what was left of it, which fitted into two trains) from Belts cost us 185 million rubles [R]. Let us call a spade a spade: Given its current economic collapse, Russia does not have the money to withdraw the Army. You might think that Moldavia wants this withdrawal more—so maybe it will help us materially? Or does it expect the Army to 'travel light,' so to speak, when it leaves? Well, Moldavia will not go along with the first option—things are no better with the economy there—and we will not go along with the second.

"And if there is no possibility of resolving the problem of the withdrawal of troops, we had better reach agreement on the terms for their remaining here."

It Is Dangerous To Pick a Quarrel With the Dniester Region

Our special correspondent talks to DMR Defense Minister Lieutenant General Stanislav Khazheyev about the history of the formation of the DMR Armed Forces and their current situation.

[ROSSIYSKIYE VESTI] Stanislav Galimovich, let us begin at the beginning. How did the Dniester Armed Forces arise, and does a state such as yours, which is neither large nor rich, need them at all?

[Khazheyev] Well, it all began like this. If you remember, when the Dniester war began, we had no Army. The police officers who carried out the atrocities in Dubossary were met by ordinary local folk with staves and iron bars. This, against assault rifles! Volunteer detachments were hastily formed, and by 19 June, when combat operations spread to Bendery, we were no longer

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as defenseless as sheep under the butcher's knife against the police and volunteers [volontery]. In addition, servicemen of the Russian 14th Army, and even entire military units, began to come over to the DMR's side. It was from these units and detachments that our Armed Forces were formed after the war. This also answers your second question: Having been unprepared for aggression from Chisinau, and having paid the price, we were simply obliged to make ourselves safe for the future. Surely this is natural?

[ROSSIYSKIYE VESTI] You spoke about the Russian soldiers who came over to the DMR's side. Our Criminal Code lays down the severest sanctions for this—up to and including the firing squad.

[Khazheyev] Threats to implement these sanctions were heard, but everything turned out fine: No one was even arrested. The units of which I spoke were assigned new numbers and given new banners.

[ROSSIYSKIYE VESTI] But the personnel had to be renewed within two years. How is your Army composed?

[Khazheyev] The Dniester Region's Armed Forces are the first on the territory of the former USSR to go over to recruiting servicemen by contract. This was two years ago. Since then time has made its own modifications to this principle. Now we also implement a draft—you cannot get by with contract-based servicemen alone. Of the 67 military commissariats that were stationed on the territory of the former Moldavian SSR [Soviet Socialist Republic], only seven remained with us in the DMR. They are directly subordinate to me, and carry out the induction of citizens of the republic into active military service under my orders. Subsequently, in accordance with cadre requirements taken into consideration by the ministry, all draftees are distributed among our Armed Forces, the MVD [Ministry of Internal Affairs], the Ministry for State Security, and the 14th Army....

[ROSSIYSKIYE VESTI] Excuse me, but, after all, that is a foreign army. Is this lawful?

[Khazheyev] Virtually everyone has dual citizenship in our country. This does not contravene the law.

[ROSSIYSKIYE VESTI] But after all, the second nationality of a considerable number of local inhabitants is Moldavian. Do you also send draftees into the Moldavian Army?

[Khazheyev] As far as I am aware, there was one such instance. A kid was sent into our Army, but defected to Moldavian territory, where the local military commissariat demanded his documents from us so that he could carry out service over there. We did not kick up a fuss. Well, if he wants to serve on their side, let him serve. That is also lawful.

[ROSSIYSKIYE VESTI] Judging by what you have said, it might be concluded that the Russian Army is also experiencing certain difficulties over cadres. Are they comparable with yours?

[Khazheyev] The salary in the 14th Army is still considerably higher than ours. This is why Gen. Lebed is able to recruit people by competition. Naturally, he gets the specialists, and we have to content ourselves with kids who need constant training. And then, when they have acquired a military specialty, many of them will probably wish to take part in these competitions.

[ROSSIYSKIYE VESTI] But you do have some people serving with you?

[Khazheyev] First, this is what the draft is for. Second, I may seem old-fashioned to some people, but after all, there is such a feeling as patriotism.

[ROSSIYSKIYE VESTI] And up till what age can people serve with you under contract?

[Khazheyev] Up to 40 years.

[ROSSIYSKIYE VESTI] Hmm, I asked this because I chanced to meet some quite elderly men in combat fatigues here.

[Khazheyev] If you saw them at the rally, those were not soldiers, but veterans of the Dniester war who kept their uniforms as a momento and put them on once a year. There are also volunteer militiamen [opolchentsy]. They are our reserves. The majority were in the war. But the DMR cannot afford to maintain a large army. Therefore, militia units exist, which people join voluntarily. They are formed at major enterprises, and the militiamen are periodically called up for retraining. However, they are not servicemen, and work in the "civilian sector," until, God forbid, something happens. Such service confers a number of privileges. The most substantial is that a militiamen cannot be fired. After all, unemployment these days is becoming no joke. Each of them is assigned a standard-issue weapon, and each has a military rank and a full uniform.

[ROSSIYSKIYE VESTI] To be honest, I have gotten thoroughly confused by your uniforms. In the Dniester Region, uniforms are more common than miniskirts.

[Khazheyev] It is not so very complicated. Our military men wear a chevron featuring the DMR flag on their sleeves. Russians also have the Russian flag on their sleeves (peacekeepers also have chevrons bearing the initials "MS" [Peacekeeping Forces], while servicemen of Lebed's 59th division wear chevrons depicting the Suvorov monument and the figures "59"). Then, if a servicemen is wearing a black beret or even a black cotton uniform, he is a soldier of the MVD's "Dniester" battalion; a speckled beret signifies the state security forces' "Delta" subunit; green berets and peaked caps denote the border troops. None of these are subordinate to our ministry as long as there is no direct aggression against the republic. If war breaks out, there is a mobilization plan, according to which they are subordinated to the supreme commander in chief—the president—and also to me, as commander. So, who else is there? Ah,

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yes—the Cossacks: Dark blue peaked caps and dark blue chevrons featuring two-headed eagles.

[ROSSIYSKIYE VESTI] And the Cossacks—are they some kind of autonomous, self-governing unit?

[Khazheyev] No. It is only a name. A Cossack army [voysko] exists, but it is a public organization, not an armed formation. True, it sponsors a Cossack regiment within the DMR Armed Forces, but the regiment itself is a regular army subunit which operates on the basis of the regulations that apply to the entire Army.

[ROSSIYSKIYE VESTI] And are your regulations as similar to Russia's as your uniforms?

[Khazheyev] ...As similar as our military doctrine, our Law on Military Service, and all the rest. Why invent something new? That would only make it more difficult to reunify.

Our Commentary

The three items carried above not only do not contradict each another, but actually complement each other, prompting us to extremely unorthodox conclusions.

Let us begin from the fact that, however much diplomatic tact the esteemed Mr. Karaman shows, the haste with which he undertook to refute rumors which are certainly not yet circulating in Moscow about the mysterious "machinations of Tiraspol" is the best evidence, if not of the existence of such machinations, then at least of the fact that Tiraspol has not only not lost anything, but has even gained a little over the agreements which provoked such a furor.

The point is that the DMR Army, which is already quite large (there are grounds for assuming that it is not inferior to the Russian 14th in numerical strength) will clearly grow by taking on Russian servicemen axed in the cuts—the majority of whom are local inhabitants, who will not be following their commander back to the "mainland." For them the DMR Armed Forces will now be the only remaining employer. According to the logic of things, Mr. Khazheyev's aforementioned department will also acquire the 950 apartments Mr. Karaman mentioned, which have not been claimed by the departing Army. This will substantially increase the DMR Defense Ministry's ability to attract qualified cadres into service. In addition, the Dniester Region will also get at least the 14th Army's real estate, and perhaps even some of its movable property—to avoid conflicts.

Finally, it must be borne in mind that Gen. Lebed's conflict with President Smirnov and his team bears a far from private character. Lebed has been an active participant in all the political events in the Dniester Region in the past two years. Whether he wanted to or not (most likely he did), Aleksandr Ivanovich has rallied all the local opposition around him, and, if he so wished, he could in one form or another become the de facto ruler of the region. As for the local government, the general has repeatedly—including in my presence—accused it of very serious criminal offenses and has promised that soon or later forces will be found to place Mr. Smirnov and all his cabinet in the dock. This is why I sincerely doubt that his forthcoming departure will elicit any tears of regret from the DMR leadership.

As for Moldavia, let us begin from the fact that the forces which launched the Dniester war have long since ceased to exist. As is well known, it was launched by the ultranationalist Christian Democratic People's Front [CDPF], and President Snegur only sanctioned aggression that had already begun spontaneously. His calculations were understandable. The majority of the key posts in Chisinau were then occupied by members of the People's Front—speaker Khodyrka, Security Minister Kostash, Premier Druk. A little longer, and the president would have been simply squeezed out of the political space. So he undertook a brilliant maneuver: He channeled the CDPF's destructive energy outwards, facilitated the physical destruction of the CDPF's gunmen, and finally, presented the leaders of this organization as being to blame for the national disaster.

At the moment not one of these tasks faces the Moldavian president. On the other hand, it is perfectly obvious that Moldavia has neither the desire, nor the forces to attack the Dniester Region again. Moreover, NATO has its hands full with the Balkans—it has absolutely no reason to kindle another hotbed of tension in Europe.

On the other hand, the 14th Army's departure will be a real disaster for a whole range of Chisinau politicians—the very same politicians who so actively sought this departure. After all, it is no secret that troops can be withdrawn only once, whereas you can fight to achieve this at least until the next elections. While this struggle is in progress, politicians are forgiven many things, and their popularity even grows. Even despite the fact that production is shutting down and virtually the entire working population of the republic is engaged in small-scale wholesale trade. That is "big politics...."

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Kazakhstan

President Nazarbayev Says Economy on Right Track

LD2508173594 Almaty KAZTAG in Russian 1200 GMT 25 Aug 94

[Excerpt] [No dateline as received]—The period that our sovereign republic is now experiencing was described by President Nursultan Nazarbayev—who continued his trip around North Kazakhstan Oblast on 23 August—as one of the most difficult periods in its history. We literally do not have enough money now for anything, but, despite this, we are firmly standing on our feet and successfully overcoming inflation, he said, chatting with workers and specialists of the "Chapayevskaya" agricultural company in Sovetskiy Rayon.

World experience serves us here as an objective arbiter. In the Czech Republic, Poland and Estonia, about which the press often has written as countries that have shaken their peoples with "shock therapy," the process of regeneration has already started, as is evident to everyone. Inflation there has been rapidly suppressed and is now at a level of one percent, while the annual growth of output is two to three percent.

This all goes to show, continued the head of state, that we are also on the right track. If we really cut inflation to seven or eight percent then we will have created the necessary conditions for the development of investment policy—the tenge will start to rise sharply and capital investments will unfailingly come to our long- suffering production. Incidentally, in the first three weeks of August inflation in Kazakhstan was less than 10 percent.

The state is conducting a hard anti-inflation program. Virtually all channels of money flowing out have been closed. Enterprises have sharply reduced their use of energy supplies. Here we are in step with all developed countries that have cut their use of electricity in recent years in connection with the doubling of its cost. But there are still quite a few loss-making enterprises. In the agro-industrial complex for example, about 300 state and collective farms cannot make ends meet.

In the president's view, the way out is to declare them bankrupt, after which their structural units will cease to exist. The state cannot subsidize insolvent enterprises any longer, but virtually the basic mass of our farms are weak and inefficient now. Moreover, one third of the highly productive state farms provide approximately 70 percent of the entire gross output of foodstuffs. Whom is it beneficial and necessary to support first and foremost? Them, of course.

Government Annuls Guarantees for Western Credits

LD2508122994 Moscow INTERFAX in English 1028 GMT 25 Aug 94

[Text] The Kazakh government is cutting back the issue of guarantees on foreign commodity credits and is revising its earlier commitments to Western banks and firms.

In its August decree the Cabinet annulled its March and April guarantees on 34 foreign credits totaling $498.3 million "in connection with the failure to take the appropriate measures in the carrying out of credit agreements by credit recipients and foreign firms and banks."

In addition, the government announced that it will not issue new guarantees for commodity credits before the end of this year. Exceptions will be made only for credits earmarked for medicines and baby food.

Last May the government, in accordance with its commitments to the International Monetary Fund, annulled its guarantees on foreign credits totaling $1.55 million.

Kazakhstan's economic policy statement adopted last January provides for the government to follow "a cautious policy" in managing the foreign debt, which surpassed $1.6 billion early this year. According to official estimates, this year payments to Western creditors will total about $260 million. Western experts predict that this year the country's trade deficit will be at $600 million.

Nazarbayev Proposes To Free Bread Prices

LD2508182394 Moscow INTERFAX in English 1549 GMT 25 Aug 94

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov and Andrey Petrovskiy, and edited by Vladimir Shishlin]

[Text] Addressing the republican conference devoted to the harvesting campaign and held in Akmola (former Tselinograd and, probably, Kazakhstan's future capital) President Nursultan Nazarbayev declared about the need to entirely release prices for bread in the republic.

Nazarbayev underlined: "We must implement this and must stop subsidizing bread." He reassured that a compensation due to the upcoming increase of prices for this most important component of Kazakhstan's "consumer basket" will be guaranteed to pensioners and socially unprotected citizens."

IF Note: Production of grain is the republic's leading branch of agriculture. Over the last period of time Kazakhstan has exported surpluses of grain to other CIS countries. However, according to the chairman of the state company Khleboprodukt Yuriy Ostapenko, a loaf of bread, which costs one tenge in the republic now, would cost 15 tenges after the prices will be freed (46.6. tenges - $1).

At the same time Nazarbayev underlined that cheap bread is beneficial only for businessmen who export it from the bordering regions to Russia. In his estimate, bread in Kazakhstan is 12 times cheaper than in the Russian Federation.

IF Note: The republic's budget for 1994 provides for a gradual increase of prices for bread products. The first one was introduced on July 18, the prices have grown by

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three times. The second increase was scheduled for September 1. Kazakhstan's Finance Minister Yerkeshbay Derbisov said that the government budget provided for a subsidy for bread totaling 4.9 billion tenges in case the prices for bread are doubled. However, the minister noted that the real sum of subsidies, given the purchasing prices for grain of the new harvest, will be increased two times.

The republican conference attended by Prime Minister Sergey Tereshchenko, members of the Cabinet of Ministers, and heads of the regional administrations expressed their support to the proposal to entirely release prices since September 1. The parliament is to confirm this decision.

Earlier during his trip throughout the Kustanay region (Kazakhstan's north, Nazarbayev reported that according to preliminary prognoses, Kazakhstan intends to gather 22-23 million tons of grain, the average yield capacity being 9-10 centners per hectare. He pointed out that the harvesting campaign will be in full swing within the next two weeks. The republic intends to gather the harvest using its own forces. Nazarbayev also reported that the state order for bread totals 4-5 million tons which are to be procured on market prices. Farms can independently sell their grain on agreed prices even on the international market.

In Nazarbayev's words, Russia's bordering regions have already presented their requests for Kazakh bread. They intend to pay for the grain with lubricants and other goods.

Indifference Toward 'Radical' Anticrisis Program

MM2508131794 Moscow TRUD in Russian 25 Aug 94 p 2

[Report by Oleg Kvyatkovskiy under the "Seeking a Way Out" rubric: "'Last Chance'"]

[Text] Republic of Kazakhstan—The Republic of Kazakhstan has been given hope by yet another anticrisis program. The document is very different from all those adopted earlier. The parameters of this plan to extricate Kazakhstan from its economic tailspin are very rigid and far more radical than they were under Ye. Gaydar or L. Balcerowicz (as Balcerowicz himself, the "father" of Polish "shock therapy," who has recently been in Alma-Ata [Almaty], indirectly admitted). The time allotted for achieving results—15 months—is particularly striking. This is even less than the "500 days" that were once renowned throughout the Union.

The published draft "Last Chance" provides for some preparation and then—**as of the beginning of 1995**—the introduction of a whole number of quite drastic measures, which Kazakhstan just could not venture to take for a long time. In January, for example, the prices of oil, petroleum products, gas, electricity, heat, and transport, communications, and municipal services will be freed. The tariffs for freight and intercity passenger transport operations are also being freed. In order to ensure that this price freedom does not lead to most awful inflation (for over a month now the tenge has stayed at the same level in relation to the dollar), the state intends to reduce taxes for enterprises and abolish a number of targeted funds, and—maybe most importantly—will relieve economic players in the state sector of the economy of such a heavy burden as social, cultural, and everyday services.

The program plans unconditionally to destroy the state structures' monopoly of foreign economic activity. At the same time many of these structures will conduct a share flotation. The government will not issue any licenses or quotas for export and import operations—only sales on an auction basis, through exchanges.

As D. Sembayev, head of the national bank, has already given repeated assurances, by the end of the year inflation in Kazakhstan will have been reduced to approximately 6 percent. As soon as this level has been reached, the government will at once remove all restrictions on the labor remuneration fund.

The first bankrupt enterprises will emerge in Kazakhstan by this fall. The Kazakhstani Government will toughen up tax discipline.

The program also declares a new approach to budget policy. The wages fund of budget organizations will be limited to 3 percent of GDP, and strict ceilings are being imposed on all subsidies. Some forms of social assistance are being transferred from the republic to the local budget.

Nationwide discussion and approval of this program is not to be observed. The population has been indifferent to it, becoming increasingly accustomed to putting their trust in themselves. Not even entrepreneurs have been roused. The government is concerned with the "battle for the harvest," which has now begun—grain crops have ripened. What will happen in 15 months' time, will the "Last Chance" be implemented the way it has been conceived?

Optimists remember the experience of neighboring China. Mao Zedong once promised the population "10,000 years of happiness" after some 10 years of labor. The whole world has seen for itself how much has been done in China in 10 years of reforms. And yet Kazakhstan has far more favorable starting positions, and a strong potential has been accumulated. If sensible use is made of it, then you will see that prosperity really will come about.

Interior Minister: Anti-Crime Measures Lack Funds

LD2508164094 Almaty KAZTAG in Russian 1200 GMT 25 Aug 94

[Report on 24 August proceedings in the Supreme Council]

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[Excerpt] [no dateline as received]—The minister [Interior Minister Vladimir Shumov] told the Supreme Council members that the staff of his department have the current situation under control and that the clear-up rate of crimes had even risen somewhat recently. On the whole, however, the situation is not comforting: There is an increase in drunkenness, in drug abuse, in recidivist and new forms of crime, and also of those which the professionals call "wild." Despite the "processing" of criminal elements, the number of killings is on the increase.

V. Shumov considers that this is caused by the fact that the level of social tension has reached such a point that even the fear of punishment is not restraining people from committing crimes. Is this not also the reason why the number of suicides has increased by 17 percent?

According to the minister, the main obstacle to the efforts to fight crime is the fact that the appropriate program is not backed up by finance. A cheap police force costs the people dear. Despite the restoration of subunits to fight economic crime, tax evasion alone is causing more damage than the whole of organized crime. V. Shumov called on Supreme Council members to speed up the adoption of the necessary laws. Replying to their questions on the reasons for the weakening of the investigation apparatus, he declared that it is not infrequent for qualified staff to leave for other jobs, while many of them are leaving for Russia, where the pay of their colleagues is considerably higher.

New Chairman of Certification Commission Appointed

LD2508145594 Almaty KAZTAG in Russian 1200 GMT 25 Aug 94

[Excerpt] [No dateline as received]—The Cabinet of Ministers issued a resolution appointing Abdykapar Ashimov as chairman of the Supreme Certification Commission attached to the Government of the republic and releasing Seit Kaskabasov from that post.

Tajikistan

Rakhmonov Exceeds Registration Requirements

LD2608112394 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 26 Aug 94

[Text] According to the chairman of the Central Electoral Commission, Emomali Rakhmonov, Tajik head of state and Supreme Council chairman, has received more than 315,000 signatures. This is about three times the required number of signatures for the registration of a candidate for the post of president of Tajikistan. The other candidate, Abdumalik Abdullojonov, Tajikistan's ambassador to Russia, has not been registered yet at the Central Electoral Commission. Candidates can register until 31 August, 1994.

Rakhmonov, Minister Receive Medals From Yeltsin

LD2608072694 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 26 Aug 94

[Text] Yesterday in Dushanbe Colonel Nikolayev, commander in chief of the Russian border guards, presented Emomali Rakhmonov, head of state and chairman of the republic's Supreme Council, with a medal for services in protecting the state borders. Emomali Rakhmonov was presented with this medal in line with an edict issued by Russia's President Boris Yeltsin. During the presentation of the award, Nikolayev said that the head of state of Tajikistan has been awarded this medal for his cooperation in protecting the interests of Tajikistan, Russia, and the CIS countries.

Emomali Rakhmonov expressed sincere gratitude to the Russian leadership for this award.

Security Minister Saydamir Zuhurov was also awarded a medal for his worthy services in protecting the state borders.

Supreme Soviet Adopts Amnesty Decree

LD2508212694 Moscow ITAR-TASS World Service in Russian 1555 GMT 25 Aug 94

[By KHOVAR agency correspondent Zayniddin Nasriddinov for TASS]

[Text] Dushanbe, 25 Aug—The presidium of the Tajik Supreme Soviet today adopted a new decree on amnesty.

The decree says, among other things, that it has been adopted with a view to further stabilizing the sociopolitical situation and achieving a complete cease-fire and accord among the Tajiks, for the future flourishing of the republic and in connection with the third anniversary of the establishment of the Republic of Tajikistan, which is to be celebrated on 9 September. Under the decree, men above the age of 50 and women over 45, people who fought in World War II, and people in opposition to the present government will be amnestied. Their sentences will be terminated irrespective of whether or not they involved imprisonment, and in the former case irrespective of the length of the prison term. A deadline, 20 September 1994, has been set for those currently in the ranks of antigovernment armed formations. In order to be granted a pardon, they have to quit those formations and hand over their weapons by this date.

Fighting Continues on Border With Afghanistan

LD2508191494 Moscow Russian Television Network in Russian 1600 GMT 25 Aug 94

[Report by correspondent Ye. Fedorov; from the "Vesti" newscast]

[Excerpts] Tajikistan's first presidential elections are to be held on 25 September and many people fear that it

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will cause a fresh upsurge of tension. After all, the civil war in Tajikistan began two years ago with peaceful rallies in support of clan candidates.

Fighting continues on the Tajik-Afghan border. Combat duty is being performed by Russia's 210th [as heard] Motor-Rifle Division, which is part of the CIS peacekeeping forces. In addition, the soldiers of three other CIS states—Kazakhstan, Uzbekistan, and Kirghizia [Kyrgyzstan]—are attempting to halt the fratricidal war in Tajikistan, and every day a person in military uniform loses his life.

[Begin Tojiddin Mardonov recording, identified by caption as deputy foreign minister of Tajikistan] It is not only Russian guys that are losing their lives here. Presently, the Tajik border is the southern border of the CIS, and the border forces of Russia, Uzbekistan, Kazakhstan and some other Central Asian states are stationed there. [end recording]

[Fedorov] Over the past four years, 368,000 Russian people have left Tajikistan.

There are still 100,000 people in Tajikistan who regard Russian as their mother tongue.

Clashes Continue in Tavildara Rayon

LD2608142994 Moscow ITAR-TASS World Service in Russian 0805 GMT 26 Aug 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 26 Aug [ITAR-TASS]—Despite military efforts by subunits of Tajikistan's Defense Ministry aimed at putting out of action antigovernment groups in Tavildarinskiy rayon, near the Pamirs, the atmosphere remains extremely tense.

Major Vasiliy Likholet, head of the republican defense department's press office, told the ITAR-TASS correspondent today that armed opposition groups conducted intensive rocket fire against subunits and a blockhouse belonging to the government forces near the village of Mionadu. However, all the attacks by the armed militants were rebuffed and one of the fire-points was eliminated by an artillery strike.

The Tajik Defense Ministry spokesman said that the operation is being made more difficult because the small units of the Tajik opposition constantly move around, can find their way around the mountainous terrain very well, and have modern weapons. The antigovernment formations in Tavildarinskiy rayon, he said, number in excess of 1,000 men. However, they are constantly receiving reinforcements.

According to some reports, as well as members of the Tajik opposition there are Afghan mojahedin and a group of mercenaries recently arrived from Iran fighting against the government forces.

Touching on the situation in Garmskiy rayon, Maj V. Likholet said that the Defense Ministry's units there are not conducting any military operations and rumors about major clashes allegedly taking place there involving units of the opposition do not accord with reality. He asserted that the situation in Garmskiy rayon is fully under the control of the government troops.

Replying to a question about the fate of the 56 Tajik servicemen taken prisoner by one of the antigovernment groups in the region near the Pamirs more than a month ago, the head of the Defense Ministry's press office noted with regret that so far their whereabouts are unknown and talks with representatives of the opposition groups which were conducted by the republic's military authorities and by representatives of a number of international organizations produced no results. Efforts are continuing in that matter, Vasiliy Likholet said.

Russian Border Guards Involved in Continued Fighting

LD2608075894 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 26 Aug 94

[Excerpts] A Khovar correspondent has been told by the press center of the Russian border guards' headquarters in Tajikistan that fighting is continuing. Units of Russia's 12th border post guards, units from the 201st Motor Rifle Division, and units from Tajikistan's Ministry for Security and Defense has been involved in fighting in Moskovskiy rayon, trying to make the area safe, and to expel opposition combatants from the country. There are losses among the opposition; 28 combatants were killed on Wednesday. Operations are continuing.

Russian Border Guard Wounded in Dushanbe Attack

LD2508202894 Moscow ITAR-TASS World Service in Russian 1945 GMT 25 Aug 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 25 Aug—Unidentified persons fired this evening at the checkpoint of the Russian border troops' air regiment, which is deployed in Dushanbe. According to Russian military sources, the shots were fired from two submachine-guns, after which the attackers disappeared. One sentry was lightly wounded during the attack. A protective helmet saved him from a more serious injury. The incident is being investigated.

Russia Calls for Dushanbe-Tajik Rebel Peace

LD2508190394 Moscow INTERFAX in English 1549 GMT 25 Aug 94

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov and Andrey Petrovskiy, and edited by Vladimir Shishlin]

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[Text] Amid reports of renewed flare up of fighting on the Tajik-Afghan border, Parliamentary Chairman Emomali Rakhmonov late on Wednesday met Deputy Russian Foreign Minister Albert Chernyshev and Commander of Russian Border Troops Andrey Nikolayev to discuss how to defuse tension in Tajikistan.

According to the country's security ministry, the main aim of latest opposition attacks is to open "a second resistance front in the southern regions of Kulyab and Shurobad" where government opponents plan to set up a new stronghold in addition to what they describe as their first one established in Tavil-Dary 300 km east of Dushanbe.

In an interview with Interfax, General Nikolayev said the Tajik government and other CIS states must work out joint measures for the protection of CIS borders because of the emerging situation in that republic. He said it would not be practical to send further reinforcements to the region given that the existing army contingent was strong enough to rebuff opposition attacks if run properly. Instead, the general called for greater diplomatic effort to be made within the framework of peace talks between the government and rebel leaders.

His view is echoed by Chernyshev who lays "great expectations on Tajik-Tajik peace talks". In an interview with Interfax, he said Dushanbe must seek a negotiated settlement to the conflict.

Chernyshev believes "both sides should stop placing unacceptable demands to each other". Instead, such conditions must be constructive leading to the main goal of a political rather than military solution to the conflict, he said.

IF Note: Many are sceptical about the prospect of a new round of peace talks before the country's presidential elections on September 25 given the opposition's negative response to the idea for some time to come. Some say the recent statement by deputy chairman of the opposition Islamic Revival Movement Akbar Turadjonzoda unveiling plans of further rebel advance from across the Afghan border is an indication of the rebels' option for a military solution to the conflict. The last round of peace talks in Tehran two months ago ended in failure to reach agreement on a cease-fire, political amnesty for government opponents and unbanning opposition parties and newspapers.

Sources Report Inaccurate Refugee Figures

LD2508121994 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 25 Aug 94

[Text] The election of the president of the republic is approaching. There is a great deal of talk about this important political event. Home and foreign media report all kinds of news. One media group reports that most of our countrymen are refugees. If one source reports that more than 600,000 of our countrymen are refugees abroad, then other sources report that about one million of our countrymen are currently refugees. Naturally, such reports can worry people. Firstly, the holding of elections and the referendum on approving the draft of the new constitution were in line with the wishes of the population in the republic. Emomali Rakhmonov, head of state, said in his political speech at the 18th session of the Supreme Soviet that the situation in the republic fully allows new elections to be held.

Now we will give the figures for the refugees residing in neighboring countries. According to the information of the Ministry for Labor in CIS countries, as of 15 August this year, 166,000 refugees have been registered; of this, more than 134,000 refugees have been registered in the Russian Federation of which 5,141 are Tajiks. In Ukraine and Belarus, 2,000; in Kazakhstan, 5,000; in Turkmenistan, 10,000; in Kyrgyzstan, 5,000; in Uzbekistan, 8,000. According to this ministry as of 15 August this year, 22,655 Tajik refugees have remained in the Islamic State of Afghanistan. After 15 August, our countrymen returned to their country from the Islamic State of Afghanistan and the CIS countries on a number of occasions. Therefore, the number of Tajik refugees abroad is constantly decreasing. It seems, therefore, that reports on the number of Tajik refugees by certain media are inaccurate. After the historical 16th session of the Supreme Soviet the leadership in the republic is trying to allow all our countrymen, who have fled, to return home. It is hoped that before election day, a large number of our refugees will return to Tajikistan and that a very small number will remain abroad. They will be able to participate in the elections through the embassies.

Turkmenistan

Statistics Cited for Clashes on Turkmen Border

MM2508113394 Moscow ROSSIYSKAYA GAZETA in Russian 25 Aug 94 First Edition p 2

[Report by Grigoriy Smolnikov: "Hot Border"]

[Text] Over the past two years Turkmen border guards together with Russian "green berets" have detained 840 violators and confiscated over half a tonne of drugs and 44 guns. Exchanges of fire with armed smugglers have flared up 26 times.

Minister of Oil, Gas Appointed

LD2508144594 Ashgabat HALK SESI in Turkmen 10 August 94 p1 (tentative)

[Text] Edict by the president of Turkmenistan on the appointment of Kh. O. Ishanov as minister of oil and gas.

Khekim Orazovich Ishanov is appointed minister of oil and gas.

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Inter-States Conference Issues Edict on Regulations

LD2608111294 Ashgabat Radio Ashgabat Network in Turkmen 0200 GMT 25 Aug 94

[Text] Edict of the Inter-States Conference for questions of organizing the export of gas and oil from Turkmenistan to the world market. Inter-States Conference decrees:

1. The regulations on Inter-States Conference for questions of organizing the export of gas and oil from Turkmenistan to the world market be confirmed.

2. The regulations take effect as from the date of their confirmation.

[Signed] Niyazov, chairman of the Inter-States Conference, President of Turkmenistan.

[Dated] Tehran, 23 August 1994.

Kazakhstan Given Role in Oil, Gas Exports

LD2608110694 Ashgabat Radio Ashgabat Network in Turkmen 0200 GMT 25 Aug 94

[Text] Edict of the Inter-States Conference on questions of organizing the export of gas and oil from Turkmenistan to the world market. Taking into consideration the request of the Kazakh Government dated 14 April 1994 on joining the memorandum on the Inter-States Conference on export of gas and oil and gas from Turkmenistan dated 5 April 1994, the Inter-States Conference decrees:

Kazakhstan's joining the 5 April 1994 memorandum of the Inter- State Conference on questions of export of gas and oil, should be agreed with.

[Signed] Niyazov, chairman of the Inter-States Conference, President of Turkmenistan.

[Dated] Tehran, 23 August 1994.

New Gas Pipeline Construction To Start in May

LD2608131694 Moscow ITAR-TASS World Service in Russian 0836 GMT 26 Aug 94

[By ITAR-TASS correspondent Anna Kurbanova]

[Text] Ashgabat, 26 Aug—The construction of the gas pipeline from Turkmenistan via Iran and Turkey to Europe will start in May 1995. This date is contained in the plans for the construction of this gas pipeline, presented by the Turkmen Government at the second sitting of the inter-state council to organize the exports of gas and oil from Turkmenistan to the world markets, held in Tehran recently.

According to a memorandum of cooperation among the oil and gas ministries of five states—Turkmenistan, Iran, Turkey, Russia and Kazakhstan—which has been signed in Tehran, the design work will start in October. The general designer of the 1,470-km-long gas pipeline will be known by that time. A number of bilateral agreements concerning technical and financial backup for the project will have been prepared by 1 November. They will be signed by the heads of governments and ministries during the third sitting of the inter-state council, which will be held in Turkey in January 1995.

Impact of Proposed Gas Pipeline Viewed

MM2608113294 Moscow IZVESTIYA in Russian 25 Aug 94 p 3

[Report by Maksim Yusin: "Turkmenbashi Helps Tehran Break Through International Isolation"]

[Text] The visit to Tehran by Turkmen President Saparmurad Niyazov was marked by the signing of a contract which is unprecedented in the history of mutual relations between Iran and the Muslim republics of the former USSR.

It concerns the construction of a gas pipeline 4,000 km long, which is to cross the territory of Turkmenia [Turkmenistan], Iran, and Turkey. From there the Turkmen gas will be conveyed to Western Europe. According to Iranian experts' assessments, the cost of the project, which will take six to eight years to implement, will be $7 billion.

If Tehran and Ashkhabad [Ashgabat] are able to put into effect an idea which looks so alluring on paper, the advantages for both sides are obvious. Iran will strike a blow at U.S. policy—whose aim is to isolate the fundamentalist regime economically and politically. The income from the transit of Turkmen gas will improve the situation in the Iranian economy, which is going through difficult times. On a political level, Tehran will strengthen its influence in the Central Asian region, where the majority of countries prefer to gear themselves to Moscow. For his part, Niyazov hopes to reduce economic dependence on Russia, through which practically all exports of Turkmen gas used to pass in Soviet times. Rapprochement between Tehran and Ashkhabad, which worries Turkmenia's neighbors, and primarily the Uzbek leader Islam Karimov, has been corroborated anew.

The prospects of the "project of the century" may however turn out not to be so cloudless. Even if Iran and Turkmenia do find the $7 billion needed, a lot will depend on Turkey's stance. It cannot be ruled out that Washington will put pressure on Ankara to persuade it not to throw a lifebelt to the Tehran regime. Apart from that, Turkey itself is not averse to taking advantage of the transit of Turkmen gas to Europe, calculating on laying a pipeline along another route—via Azerbaijan and further, mainly along Turkish territory, toward the Mediterranean ports. The fact that Niyazov has given preference to the Iranians will scarcely please Turkish businessmen.

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Uzbekistan

Talks With Russia Focus on Central Asian Security

LD2508190994 Moscow ITAR-TASS in English 1742 GMT 25 Aug 94

[By ITAR-TASS special correspondents Yuriy Kozlov and Vilor Niyazmatov]

[Text] Tashkent August 25 TASS—"The positions of Russia and Uzbekistan do not contradict each other, they coincide in many important points," the leader of Russia's Federal Counterintelligence Service Sergey Stepashin said today, summing up the results of the first day of talks between the Russian and Uzbek Government delegations.

The Russian delegation led by Foreign Minister Andrey Kozyrev arrived in Tashkent on Thursday. Its members are the Director of the Foreign Intelligence Service Yevgeniy Primakov and the Commander-in-Chief of the Russian border troops Andrey Nikolayev among other officials.

Uzbekistan's delegation was no less impressive: It included President Islam Karimov, First Vice Premier Ismail Dzhurabekov, State Adviser on Defense Matters Bakhtiyar Gulyamov, the Minister of Foreign Affairs Abdulaziz Kamilov and Defense Minister Rustam Akhmetov.

ITAR-TASS learned that on Thursday special attention was given to the development of relations between Russia and Uzbekistan and to strengthening security in the Central Asian region. According to the Russian minister of foreign affairs, the Tajik-Afghan border is part of the external boundaries of the Commonwealth of Independent States, and its protection will always be given appropriate attention.

A delegation from Tajikistan is expected to arrive in the capital of Uzbekistan on Friday. It will be led by Tajikistan's leader Emomali Rakhmonov.

Also on Friday, trilateral talks will begin in Tashkent in which the delegations from Russia, Uzbekistan and Tajikistan will seek to identify options and ways of settling the Tajik internal political conflict by peaceful means.

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Armenia

Ter-Petrosyan, CSCE Official Discuss Peace Plan

NC2508194994 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 25 Aug 94

[Text] Presidential press service reports that Armenian President Levon Ter-Petrosyan received today Jan Eliasson, chairman of CSCE Minsk Group, who arrived in Yerevan after talks in Baku and Stepanakert. Matters relating to the formulation of a joint plan for the consolidation of the cease-fire on the Azerbaijani-Karabakh fronts and for the peaceful resolution of the conflict were discussed during the meeting.

Further on Visit to Stepanakert

NC2508150294 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0631 GMT 25 Aug 94

[Text] Stepanakert ("Azg", "Yerkir" dailies), 08/25/94—Chairman of the CSCE Minsk group on resolution of the Karabakh conflict Jan Eliasson arrived to Stepanakert yesterday afternoon.

According to the RMK [Republic of Mountainous Karabakh] Foreign Ministry, Swiss [Swedish] politician will continue discussion of problems on peaceful resolution of the Karabakh conflict with highest officials of the republic.

RMK Department of Information and Press reported that Acting Chairman of the RMK Supreme Council Karen Baburyan, Chairman of the RMK State Department of Defense Robert Kocharyan, RMK Minister of Foreign Affairs Arkadiy Gukasyan and other officials accepted the guests. It is planned that Eliasson will return to Yerevan after finishing negotiations, and will leave from there to Baku.

Armed Activity Against Idzhevanskiy Rayon Reported

NC2508181094 Yerevan Radio Yerevan in Azeri 1330 GMT 25 Aug 94

[Text] The Armenian Ministry of Defense Press Office has disclosed that military units in Azerbaijan's Kazakhskiy Rayon took armed action against Idzhevanskiy Rayon's border from 2115 last night to 0240 this morning. The enemy units fired on the defense positions close to [place name indistinct]. The Armenian border guards refrained from taking retaliatory measures. The situation in the other parts of the border between Armenia and Azerbaijan deteriorated last night and today.

Meanwhile, the Nagorno-Karabakh Armed Forces Information Service has disclosed that the cease-fire agreement has not been violated along the front line in Nagorno-Karabakh.

Stupishin Leaving Ambassador Post

944K2210A Yerevan RESPUBLIKA ARMENIYA in Russian 24 Aug 94 p 1

[Report by Anna Danielova: "The Ambassador Takes His Leave...."]

[Text] Continuing the series of official farewell calls on the completion of his diplomatic work in the Republic of Armenia, Vladimir Stupishin, ambassador extraordinary and plenipotentiary of the Russian Federation to Armenia, had a meeting yesterday with Vaagan Khachatryan, mayor of the capital.

According to preliminary information, Mr. Stupishin's departure for Moscow is scheduled for 8-9 September. A farewell reception will be given on 5 September in the restaurant lounge of the Razdan Hotel by an ambassador that has performed his diplomatic mission in the republic for more than two years. We would recall that the first ambassador extraordinary and plenipotentiary of the Russian Federation to the Republic of Armenia presented his credentials on 20 May 1992.

Following Mr. Stupishin's departure, the duties of charge d'affaires of the Russian Federation in Armenia ad interim will be assumed by Vladimir Stepanovich Starikov, minister-counselor of the Embassy of Russia.

Meanwhile, on 12 August, V. Stupishin, ambassador extraordinary and plenipotentiary of the Russian Federation to the Republic of Armenia, handed a note (request for agreement) to the Ministry of Foreign Affairs of Armenia. The latter expresses the desire of the leadership of the Russian Federation that Andrey Yuryevich Urnov be seen as the successor of the ambassador extraordinary and plenipotentiary. On 16 August the Ministry of Foreign Affairs of the Republic of Armenia presented the note to the government for consideration. It may be assumed that within two months the agreement (consent) to Mr. Urnov will be forwarded to the Ministry of Foreign Affairs of the Russian Federation.

As your RESPUBLIKA ARMENIYA correspondent managed to ascertain in the Foreign Ministry Office for the Press and Public Relations, Mr. Andrey Yuryevich Urnov, who was born in 1939, has been in the diplomatic service since 1990.

Azerbaijan

President Redirects Cargo as Russia Bans Trains to Chechnya

NC2508193894 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 25 Aug 94

[Text] In connection with the tension resulting from the failure to ensure the safe movement of trains along the sector of the North Caucasus Railway passing through the Republic of Chechnya, the loading of the foodstuffs and other cargo destined for the national economies of

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the Caucasus republics has been temporarily halted by order of the Russian Federation Railway Ministry.

On instructions of the Azerbaijani president, a delegation headed by Deputy Prime Minister Abbas Abbasov held talks with Mr. Gujnin, head of the executive administration of Astrakhan Province, on 23 August, during which an agreement was signed on the transportation of the Azerbaijan-bound cargo from Astrakhan's sea and river ports to Baku's port.

In accordance with the agreement, missions will be opened in Baku and Astrakhan to organize the transportation of cargo to and from Azerbaijan.

Those wanting additional information on this issue can telephone the following numbers: 987054 and 938402 at the Commerce and Economy Administration of Caspian Maritime Company; and 994440 and 994441 at the Container Transportation and Commercial Affairs Service of the Azerbaijan Railways Administration.

Chechnya Police To Accompany Rail Cargo

NC2508140694 Baku TURAN in English 1115 GMT 25 Aug 94

[Text] Baku, August 24 (TURAN)—Azerbaijan's Railway Department (ARD) signed an agreement with Chechnya's Interior Ministry, according to which Chechnya undertakes to accompany all cargo going to Azerbaijan to the destination, TURAN was told by Teymur Mamedov, deputy of Department Transportation and Shipment.

According to another source, the agreement provides that Azerbaijan should pay the amount varying from 500,000 to 1 million rubles to 30 Chechen policeman. It was the Chechnya's Interior Ministry's demand, but position of Azerbaijan on this question has not been determined yet.

According to Teymur Mamedov, the agreement was signed during the visit of ARD's delegation to Groznyy from August 18 to 23. the delegation was headed by Zia Mamedov, deputy of ARD.

"Presently, approximately 1,000 wagons with flour, grain, metal and construction materials going to Azerbaijan are standing idle on North Caucasian railway. At the same time more than 800 wagons with cotton, wine and other agricultural products, going from Azerbaijan are accumulated on the Azerbaijan's railway, "said Mamedov.

"Due to tense situation in Chechnya two alternative options of the route for delivering cargo to Azerbaijan by sea, are being discussed now. One way is through Krasnovodsk and the other is through Astrakhan. Ten wagons with flour and sugar had come by the first way already. But one ton of cargo had cost to Azerbaijan by $12 more than the delivery through the North Caucasian railway, because railway tariffs of Turkmenistan exceed Russian one," said Mamedov.

Baku Requests $15 Billion in Saudi Investments

LD2508191394 Moscow ITAR-TASS in English 1818 GMT 25 Aug 94

[By ITAR-TASS correspondent Rafayel Bikbayev]

[Text] Cairo August 25 TASS—Azerbaijan has submitted to Saudi Arabia a package of projects aiming to restore the republic's economy ravaged by the war with Armenia over Nagorno-Karabakh. A Saudi newspaper, AL-RIYADH, reported on Thursday that Baku is asking for 15 billion dollars in investments.

Chairman of the Saudi development fund Ahmad al-Yahya visited Azerbaijan recently on an economic fact-finding mission, the newspaper reported. As a result of his visit, the Saudi fund leader expressed readiness in principle to provide the required resources.

According to the same newspaper, the Islamic Assistance Fund has been financing the provision of humanitarian aid to approximately 13 thousand Azeri refugees for the past twelve months. This organisation is also participating in a project to build 1.5 thousand houses in Azerbaijan, mainly in the city of Sumgait.

Georgia

Chikvaidze, Iranian Envoy Discuss Relations

LD2408170394 Tehran IRNA in English 1428 GMT 24 Aug 94

[Text] Moscow, Aug. 24, IRNA—Georgian foreign minister, Aleksandr Chikvaidze, said in Tbilisi on Tuesday that Iran is a powerful and major country in the region and Georgia attached importance to its relations with Iran.

In a meeting with Iran's ambassador to Tbilisi, Haqbin, Chikvaidze emphasized boosting of cooperation between the two countries.

Haqbin referred to the good neighborly relations between Tehran and Tbilisi and said that the Islamic Republic of Iran was interested in expanding relations with the countries in the region.

He voiced Iran's readiness to host the session of the joint Tehran-Tbilisi Economic Commission and increase volume of bilateral trade.

Chikvaidze briefed the Iranian ambassador on the developments in Caucasus and Abkhazia and voiced his country's readiness to cooperate with Iran.

He pointed to international developments and said that the issue of human rights has become a political issue and is being used by certain countries against other states.

The two countries joint economic commission is due to be held in Tehran August 29-31.

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Ioseliani Threatens To Personally Lead Refugees to Gali

LD2508165794 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 25 Aug 94

[Text] According to the press service of the Georgian Defense Ministry, a working meeting of Georgian, Abkhaz, and Russian sides has been held in the village of Azhara in the Kodor Gorge.

Speaking at the meeting, Jaba Ioseliani [head of the Georgian delegation] said that Ardzinba's regime was allowed to act at its will. In Jaba Ioseliani's opinion, the issue of the return of refugees to Gali Rayon is much more important than that of their return to the Kodori gorge. The Abkhaz party is trying to correlate these two issues and this is inadmissible. In case the issue of the displaced people's return is not settled shortly, he himself will lead the unarmed refugees to Gali Rayon.

Additional Russian Units Arrive in Kodor, Abkhazia

LD2508193094 Moscow INTERFAX in English 1806 GMT 25 Aug 94

[Text] Two more platoons of Russian peacekeeping forces with military equipment entered the Kodor Gorge in Abkhazia Thursday, the press center of Georgia's Defense Ministry told Interfax.

These detachments are assigned to the Ural motor rifle battalion which arrived in Abkhazia on August 23. On August 24 the forces started moving to the Kodori Gorge.

According to the press center, Russian peacekeepers are to start fulfilling their mission Friday.

Radical Opposition Holds First Conference in Tbilisi

LD2508192694 Moscow INTERFAX in English 1806 GMT 25 Aug 94

[Text] The first conference of Georgia's radical opposition was held Thursday in Tbilisi. The pro-Zviadist political bloc Round Table Free Georgia and 37 political parties and organizations which signed a convention on defense of Georgia's state independence in the course of the conference were the organizers of the forum.

Among participants of the conference were representatives of the party of Georgia's National Independence which is represented in the parliament.

According to the convention, Georgia has been announced a state annexed by Russia. The document states that "a military- criminal coup (dismissal of president Zviad Gamsakhurdia—Interfax) took place in 1991-1992 in the republic. As a result, an illegal government came to power."

The delegates who signed the convention believe that the national forces should unite to restore justice and legal authority. However, the document does not make it clear how they intend to implement their plan.

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Estonia

Uranium Seized in 'Early Aug'; Russia Gave Warning

WS2608080994 Tallinn BNS in English 1837 GMT 25 Aug 94

[Text] Tallinn, Aug 25, BNS—Nearly three kilograms of low- enriched uranium were confiscated from an Estonian citizen in early August, the Estonian security police announced Thursday. The police said the uranium oxide could have been used for building a nuclear weapon after enrichment.

Meanwhile, Endel Lippmaa, a leading physicist, downplayed the threat and said the amount in question was much smaller than needed for a bomb. "The confiscated uranium poses no security threat," Lippmaa asserted. "It is of commercial interest, but trading with it is no more dangerous than with titanium or aluminum," he added.

The confiscated material was meant for use in atomic power stations. Its radiation level is not life-endangering.

The uranium was confiscated from a resident of Polva, a minor town in the south Estonia, said Juri Pihl, the head of the security police. He was unwilling to disclose the person's name. Pihl said Estonia had been informed by Russian sources in the beginning of August that a certain amount of radioactive metal had been smuggled to Estonia.

When checking the information, the police learned that two Russian citizens had brought 2.95 kg of uranium to Estonia in January 1994, and had handed it over to a resident of Polva, who buried it. The confiscated metal was packed in 590 cylinders, 10 cm long and 8 cm in diameter each.

The police told BNS they are alarmed by the fact that the uranium is manufactured in the same Russian factories that make parts for nuclear bombs.

A criminal suit has been filed in the case of illegally obtaining, holding, using, and transmitting of radioactive substance. If found guilty, the person might be served with five years in prison, according to Estonian law.

Lippmaa told BNS that the enrichment level of the uranium was obviously very low (2-3 percent), while the material used for nuclear bombs should be enriched to 97 percent. Between 7-9 kilograms of uranium would be needed to build one bomb.

"It's not possible to make nuclear weapons with that kind of uranium. A special factory would be needed to enrich it," Lippmaa continued. Of the uranium used in nuclear power plants, 98 percent is made up by the less dangerous isotope 238, and only 2 percent of the isotope 235, the one suitable for making bombs.

The confiscation of uranium oxide in Estonia is another instance of the spreading international radioactive matter smuggling. There have been numerous cases in several countries during the past few weeks where persons carrying radioactive metals have been detained.

Latvia

Military Training Center Moved to Former Russian Facility

WS2608100494 Riga DIENA in Latvian 18 Aug 94 p 6

[Report by Liga Laizane: "The Main Training Center of the Defense Forces Moves to Adazi"]

[Text] Riga, 17 Aug—From now on, the main training center of the Latvian Defense Forces will be located in Adazi, where it will occupy buildings abandoned by the Russian Army after its withdrawal.

Vitalijs Liepins, head of the operations board of the Defense Forces, told DIENA that in the first phase it is planned that the Lilaste training center, and perhaps several others, will be relocated to Adazi. The training center is to be ready for operations by 1 September. The first recruits are expected to arrive in Adazi as early as 5 September. The recruits that are called up for military service will be trained and take their service oaths there. Afterwards, they will be able to go to any unit of the Defense Forces—except the Air Force, Navy, or Border Guard—which has its own training center.

The Latvian Defense Ministry has taken over all of the property left by the Russian Army. As DIENA learned on Wednesday, a week after the withdrawal of Russian units, the buildings are being guarded and are now being cleaned up and refitted.

State Budget Deficit Reaches 25.3 Million Lats

WS2508151294 Tallinn BNS in English 1336 GMT 25 Aug 94

[Text] Riga, Aug 25, BNS—In the first seven months of this year, the Latvian state budget spent 326 million lats and earned 303.6 million lats raising the state budget deficit to 25.3 million lats.

The same tendency that brought on a budget crisis in the beginning of August still continues, said Budget Minister Janis Platais. The crisis, however, is over and budget institutions are free to perform full scale payments in line with resources at their disposal, Platais said.

The budget incomes peaked in July when it collected 47.6 million lats, thus, creating a good basis for overcoming the crisis.

The 25.3-million-lats budget deficit is covered with 15.7 million lats in state treasury bills and 9.6 million lats in a Bank of Latvia loan.

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Commenting on the effect of the anticipated wages increase for teachers, Platais said the move needs around 7 million lats what means that other expenses will have to be cut.

Lithuania

Official Says Ignalina Not Source of Smuggled Plutonium

WS2608080294 Vilnius ELTA in English 2039 GMT 25 Aug 94

[From "News Bulletin" No. 573]

[Text] Vilnius, August 25, ELTA—In some Western mass media reports Ignalina nuclear power-station was mentioned among those, which had been suspected of exporting radio-active materials.

Expert of the State Nuclear Energy Inspection Michail Demtshenko confirmed that it was not possible to take away plutonium from Ignalina nuclear power-station either from technical or theoretical point of view.

In 1992 Lithuanian Government signed an agreement with International Atomic Energy Agency in which Lithuania promised not to use radio-active materials for producing nuclear weapons.

Demtshenko added, that the control of nuclear materials in Ignalina nuclear-power station was organized in several levels.

Government Not To Resign if Referendum Unfavorable

LD2508191894 Moscow INTERFAX in English 1806 GMT 25 Aug 94

[Text] The Lithuanian government will not resign even if the ideas of the bill put up for the August 27 referendum will receive support from a majority of the population, Prime Minister Adolfas Slezevicius told a news conference in Vilnius on Thursday.

The people of Latvia will be asked to express their attitude to the draft law "On illegal privatization, the devaluation of deposits and shares and the violation of legal protection".

The leader of the right-wing opposition and Union of the Fatherland party which initiated the referendum, Vytautas Landsbergis has repeatedly said that if the people support the bill, the current leaders of Lithuania should resign.

Prime Minister Slezevicius argues that the question of the government's resignation is not liable to discussion. He recalls that as they collected the signatures in support of the referendum, its organizers promised to index the people's bank savings no less than 100 times.

On the eve of the referendum they put to the vote a draft document whose implementation, Slezevicius said, "looks rather hazy." Prime Minister Slezevicius believes that was done with the hope the organizers themselves would be responsible for implementing it.

Slezevicius explained that instead of the previous promise to index bank deposits 100 times the latest version of the bill promises indexing the deposits only after the special fund has accumulated no less than 1 billion lits ($250 million). Prime Minister Slezevicius argues this prospect looks rather doubtful, because the past three years of privatization have raised a mere 50 million lits for the fund.

Prime Minister, Finance Minister Discuss Debt

LD2508132394 Vilnius Radio Vilnius Network in Lithuanian 1200 GMT 25 Aug 94

[Text] The budget and Lithuania's debts were the main topic of a press conference by Prime Minister Adolfas Slezevicius and Finance Minister Eduardas Vilkelis today.

Of 546 million U.S. dollars of credits to Lithuania, 323 million have already been used, including 90 million in debts inherited from the previous government. A substantial part of credits has been used by power engineering, the finance minister announced and added that energy resources are as a rule paid for from credits and not from turnover funds.

Lithuania's debts, noted the prime minister, exceed by one third the country's currency and gold reserves. The budget and the taxes are the most complex link in the work of the government, noted Prime Minister Adolfas Slezevicius. The budget deficit prevents the implementation of an extensive social program.

Payments to the budget were somewhat lower in the last few months. Whereas in July we used to get on the average 10.8 million litas per day, on 23 August this figure was 9.2 million. In the first half of the year payments into the budget were even slower. only six or seven million per day.

A new auction of the state bonds will take place at the beginning of September, announced Finance Minister Eduardas Vilkelis. Such action enables the government to save credit resources, as the bank loans to the state cost a 50 percent and even higher interest.

A substantial part of the press conference was devoted today to the smuggling of alcoholic beverages, tobacco, and petrol. The government intends to hold this week a special meeting devoted to this issue. The confiscation of alcoholic beverages will be discussed if their price is lower than the customs duty on such goods.

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